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INTERNATIONAL Herald Tribune

The Global Newspaper Edited and Published in Paris Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, New York, Rome, Tokyo, Frankfurt.

Published With The New York Times and The Washington Post

Subscription rates: ANZAS \$50, CANADA \$45, FRANCE \$35, GERMANY \$40, ITALY \$35, JAPAN \$50, SAUDI ARABIA \$60, SWITZERLAND \$40, U.S. \$45, U.K. \$35. Single copies: 10c.

No. 34,020 29/92

PARIS, WEDNESDAY, JULY 15, 1992

ESTABLISHED 1887

Baghdad Rebounds In Its Postwar Year Despite Strife and Sanctions, Iraqis Are Busily Rebuilding

By Paul Lewis
New York Times Service
BAGHDAD — Last year, a United Nations report warned that the damage done by allied bombs and missiles, combined with the Security Council's punitive trade embargo, threatened to push Iraq back into what it termed a "preindustrial" stage of development. That has not happened in Baghdad, which now seems to be pulling itself up by its bootstraps. To a reporter returning after a year, the most striking impression is the scale of Iraq's postwar reconstruction effort. Giant yellow cranes dot the skyline as the capital sets about razing the scars left by the war. A new roof is going on the Saddam Hussein Conference Center. Behind wooden scaffolding, the handsome old British colonial edifice that once housed the Defense Ministry is being rebuilt brick by brick. The bombed-out Justice Ministry has been completely repaired. A year ago, allied bombers had hit every telephone exchange in the country. Today, Baghdad's phones are ringing and a limited international service has been restored. A new building houses Baghdad's main telephone exchange. And on the drive down the first-class highway from Jordan, one can see that the red-and-white communication towers on the tawny desert — each one hit with surgical precision — are being slowly repaired. Work on the projects goes on around the clock. Baghdad by day is again the bustling commercial center it has been for centuries. With gasoline plentiful and costing only a few cents a gallon, its streets are perpetually snarled by traffic. By night, the city was a blaze of colored lights as it prepared for the commemoration Tuesday of the

Suddenly, a Democratic Euphoria Blossoms But the Sting of 1988 Is Not Yet Forgotten

By R.W. Apple Jr.
New York Times Service
NEW YORK — Sometime in the last three or four weeks, a lot of Democrats changed their minds. They stopped going through the motions, stopped thinking about defeat while they talked about victory, and allowed themselves to believe that they actually had a chance to win the presidency with Bill Clinton. "The planets are coming into alignment," said Vernon Jordan, a big-time Washington lawyer. "Al Gore will wear very well," said Peter Hart, a Democratic poll taker. "He's a candidate for October as well as July." "The Reagan Democrats in my district have started to come around," reported Representative John D. Dingell of Michigan. "Am I wrong, or is there a new job of energy around here?" asked Richard Holbrooke, a State



Mr. Clinton looking for the youth vote Tuesday during a break from jogging in New York.

NEWS ANALYSIS
Department official in the Carter administration, now on Wall Street. Robert A. Farmer, a prodigious fund-raiser, added, "I'm finding it easier to persuade people to open their books and write big checks." And so it went as the Democrats, giddy as a clutch of debutantes, revved themselves up for their quadrennial convention. But the sense of euphoria was more than a little fragile. The sharp sting of 1988 is still there. The statistic on everyone's mind is Michael S. Dukakis's 17-point lead in July that turned into an 8-point deficit in November. More than anything, the Democrats worry about the Republicans reviving the charges about Mr. Clinton's private life, pushing his six-point plans and four-point programs into the background. For the moment, the White House and the Republican National Committee are concentrating on attacking Ross Perot, apparently in the belief that cutting him down to size will help President George Bush. The Democrats think so, too, so they would rather keep him healthy for awhile. A Clinton strategist predicted, "You'll barely hear Perot's name this week." James Squires, Mr. Perot's communications director, said: "The Democrats benefited when Bush beat up Perot. Bush would benefit if they beat up Perot." Ronald H. Brown, the Democratic chairman, was equally blunt: "The way this campaign is shaping up, we like. We've got George Bush and Ross Perot decapitating each other." In particular, Mr. Brown and his aides think Mr. Perot helps to put some Southern states within Mr. Clinton's reach by cutting deeply into what would otherwise be support for the president. But many of the delegates and kibitzers here feel that the Republicans will eventually go after Mr. Clinton and, probably, his running mate too. "I wonder whether Clinton is ready for them," said

See PARTY, Page 3

Chip Alliances Put Sematech in Limbo

By John Markoff
New York Times Service
SAN FRANCISCO — Five years ago, as America's semiconductor industry recoiled at the threat of Japanese domination, International Business Machines Corp. quietly helped create with the U.S. government an industry consortium to rebuild the American chip-making technology base. The result was Sematech, in which the government has poured a half-billion dollars since 1987, and then, along came U.S. Memories Inc., a private effort to assure American computer makers of a steady supply of advanced memory chips. U.S. Memories never went anywhere. Now, after IBM has announced a chip-making alliance with Toshiba Corp. and Siemens AG, and Advanced Micro Devices Inc. announced one with Fujitsu Ltd., industry executives are re-evaluating whether supporting an national industrial policy is an appropriate corporate strategy. "Companies need to be able to compete globally to survive," said Jack D. Kuebler, IBM's president, after a New York press conference held by executives of IBM, Toshiba and Siemens. "Survival is the first priority. Nationalistic factors are second priority."

See CHIPS, Page 4

In Perot Campaign, the Wagons Are Circling

By Steven A. Holmes
New York Times Service
DALLAS — It started out so hopefully; a pint-sized bantam unfurled to speak his mind, blowing in like a cool, clean wind from the prairie to cleanse government and the political process. But in the hot glare of the campaign, the insurgency of Ross Perot is dangerously close to unraveling. Hamilton Jordan, the co-chairman of the Perot for President Committee, has threatened to quit the campaign, frustrated because the independent-minded Texan has refused to heed his counsel. [Ed Rollins, Mr. Perot's campaign co-manager, said Tuesday there had been "a bit of discussion" among the undecided candidate's followers but expressed doubt that Mr. Jordan would resign. The

Associated Press reported, "Hamilton has had some frustration, but he's certainly not intending, at least to the best of my knowledge, of leaving the campaign." Mr. Rollins said. Reuters reported that Mr. Jordan indicated later Tuesday that he would stay with the campaign. Tom Luce, the campaign manager, said, "Hamilton Jordan has assured me he does not intend to leave the campaign." Mr. Perot has severed his ties with Hal Riney & Partners, a widely respected advertising company, when his advisers were pushing the Texas billionaire to begin a campaign to define himself to voters. Pushed by groups representing homosexuals, Mr. Perot reversed his opposition to appointing gays to the cabinet, making it seem that he could succumb to heat from pressure groups. But he then fudged his position on whether he would lift the ban against

See PEROT, Page 3

Amid Chaos, Slovenia Keeps Its Act Together

By Peter Maass
Washington Post Service
LJUBLJANA, Slovenia — In the tragic Balkans, one word defines a miracle: Slovenia. A little more than a year ago, the small Alpine nation declared its independence from Yugoslavia and broke free of the Serb-dominated federation with little loss of life. Dragged to the door of the Balkan slaughterhouse, Slovenia managed to escape the carnage that engulfed neighboring Croatia and Bosnia. "We had good preparations and lucky circumstances," said Ljotze Peterle, who

There are complaints about unemployment here, but no urgent pleas for Western aid, no longing for the socialist past. The streets are filled with German and French cars rather than the wheezing Skodas or Ladas that sully the air from Gdansk to Moscow. What Slovenia does have in common with the rest of Eastern Europe is chaotic politics. A parliamentary coalition of

See SLOVENIA, Page 4

Italy Will Investigate Ex-Foreign Minister

VENICE (Reuters) — The former Italian foreign minister, Gianni De Michelis, is to be investigated by magistrates looking into alleged corruption involving public works contracts, the Italian news agency ANSA reported Tuesday. The flamboyant Mr. De Michelis, foreign minister for three years until last month, was told he was under investigation by magistrates in the city of Venice, his power base. Giorgio Casadei, secretary to Mr. De Michelis in Venice, was one of five people charged last week with corruption.

General News

Despite strong U.S. support for Boris Yeltsin, his commitment to democracy is a "big question," a senior official said. Page 5. In Tokyo, a truly New Party attacks the shoguns of the governing Liberals. Page 6. **Business/Finance** The Bundesbank hit back at critics of its high-rate, anti-inflation policy. Page 11. **Crossword Weather** Page 4. Page 2.



Faisal Hussein, left, and Haidar Abdel-Shafi, head of the Palestinian delegation in the Mideast talks, in Jerusalem. As Israel's new prime minister, Yitzhak Rabin of the Labor Party, spent his first day in office, few saw a long honeymoon for him. Page 2.

Relax, Just Do It: Go Bum

A New American Hip and Baggy Look Is Big in Statement, but Don't Ask What

By Bruce D. Brown
Washington Post Service
WASHINGTON — Your mother-in-law will always think of you as one. In England, you don't use the word in polite company. Printed on a T-shirt, it's a fashion statement. B.U.M. But what does it mean? "Basic Urban Macho"? "Bland Ugly Merchandise"? "It doesn't mean anything," says Christopher ("that's Christopher with a K") Bond of B.U.M. Equipment of Los Angeles, maker of this poststructural sartorial riddle that has recently been turning up on trendy bodies everywhere. "Or it means everything to everybody." Has deconstruction finally come to clothing? In its five years of existence, B.U.M. Equipment sales have jumped from \$3 million in 1987 to an expected \$200 million this year. The company does not manufacture athletic gear as its name suggests, but it does make all kinds of clothing. In hip places, B.U.M. Equipment has been around some time, catching on like the Evian bottle as an accessory of choice on Malrose Avenue and in SoHo. The most recent celebrity sightings have included Bruce Willis, Tom Cruise and the country Western phenomenon Billy Ray Cyrus.

See WEAR, Page 4

CAMPAIGN '92 / DEMOCRATS IN NEW YORK

ELECTION NOTES

Causes Grow as High as the Television Eye

NEW YORK — The outrageousness index has shot as high as the thermometer here, with thousands of protesters pushing hundreds of causes and competing in the streets for the time and attention of craning television crews.

Would You Buy a Bill Clinton From Al Gore?

NEW YORK — Meet the new ambassador, Al Gore, presenting the credentials of Bill Clinton. From one hotel ballroom to another, before one or another of the groups that make up the core of the Democratic Party, the smiling Tennessee who will be the party's vice presidential choice carried an unusual, crucial message: Forget all these bad things you heard about the Arkansas governor. He's our kind of guy. Trust me.

Delegates Get Heat-Seeking Issue Missiles

NEW YORK — Building on the theme of their new-found unity, Democratic leaders are using technology to help lend coziness to their gathering at the cavernous Madison Square Garden.

Backs Return

Democratic Party leader, Bill Clinton, has made a public economic reform. Daily, under Mr. Clinton's leadership, Deng Xiaoping is freely from capitalist.

PD DATE

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Front Leaders

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Contrite but Combative Party Flails Bush and Perot

By David S. Broder and Thomas B. Edsall

WASHINGTON — The Democratic National Convention opened with an orchestrated attack on President George Bush and a chorus of praise for the ticket of Bill Clinton and Al Gore that will be nominated here this week.

Even as they acknowledged that their party shares responsibility for widespread public disillusionment with politics and government, three keynoters and a parade of other speakers celebrated Mr. Bush's steep descent from the pinnacle of popularity he enjoyed at the end of the Gulf War last year.

As far as this White House is concerned, said Governor Ann W. Richards of Texas, the convention chairman, "honey, you can turn out the lights — the party's over."

The Democratic national chairman, Ronald H. Brown, labeled Mr. Bush "the guy who's fallen and can't get up."

Senator Bill Bradley of New Jersey contended that at every challenge, from the Los Angeles riots to the breakup of the Soviet Union, Mr. Bush had "waffled and wiggled and wavered."

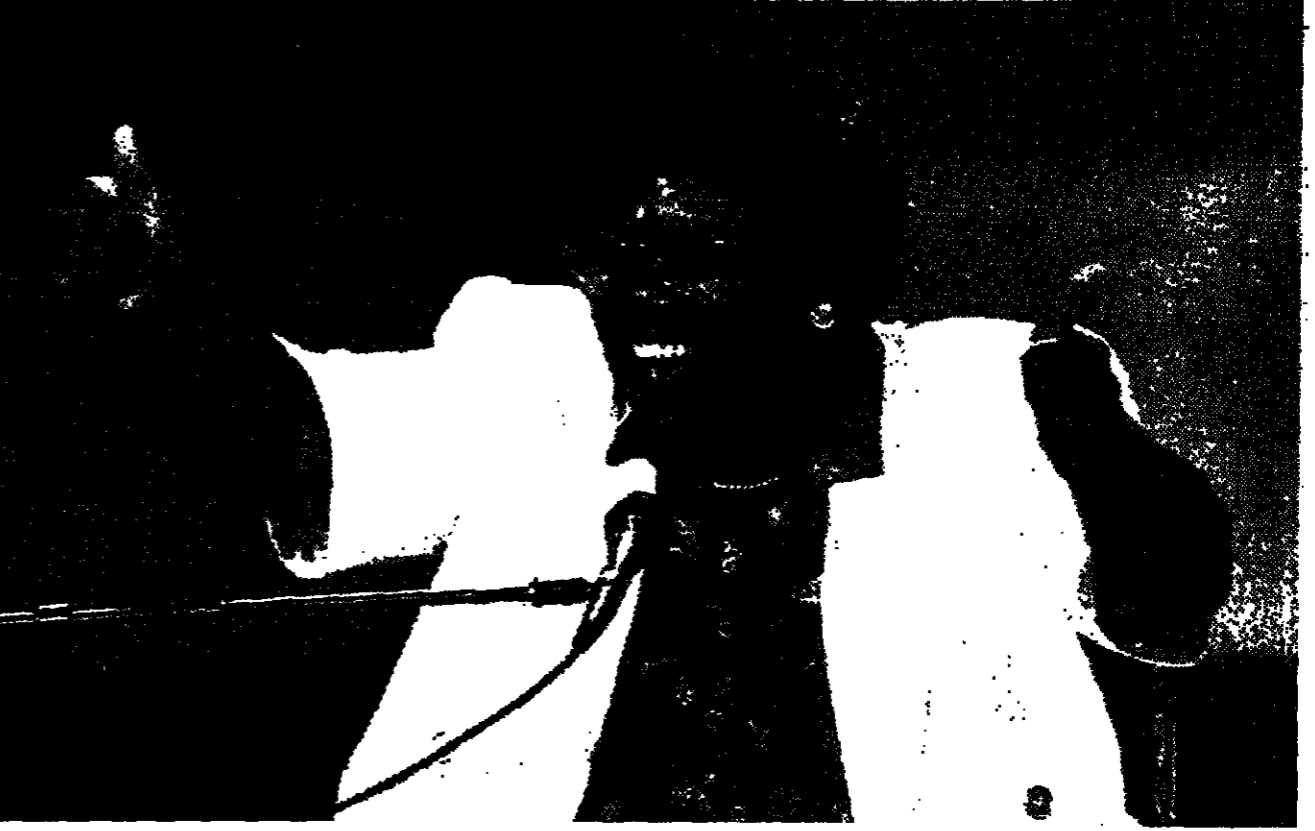
The platform speaks warmly about private enterprise and entrepreneurship, but also calls for higher taxes on the rich — something the party wasn't willing to do four years ago.

The platform speaks of the limits of government and of government's past failures, but also sees a large role for government in rebuilding the economy, expanding educational opportunities and improving job skills.

Senator Bill Bradley of New Jersey said in his keynote address: "Americans are uncertain and divided. People are angry, and so am I."

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Barbara Jordan giving a thumbs-up signal to delegates as she prepared to give a keynote speech at the Democratic National Convention.

out the barn, but he's been kneecap in it for years.

While such rhetoric is standard convention fare, several of the speakers departed from the norm in acknowledging that the Democrats themselves had contributed to a situation in which, as Ms. Jordan put it, "public policymakers are held in low regard" and "mistrust abounds."

Governor Richards said, "This Democratic Party is ready to go back to school, to listen to the American people, to get our lessons right this time."

Mr. Bradley said that "Democrats must also look into our own hearts and admit that we, too, have some responsibility for our predicament. We, too, have often preferred the short term to the long term, our own kind to others, individual thrills to collective responsibilities."

Mr. From, president of the centrist Democratic Leadership Council, said that the Arkansas governor needs to send "a clear signal that this is a new party."

Mr. Clinton reinforced that message, he said, by selecting Senator Al Gore of Tennessee, a southerner and moderate, as his running mate.

"The old politics was about balancing, and giving a little here and a little there," Mr. From said. "But in the information age, balance can appear confused."

Bruce Reed, Mr. Clinton's deputy campaign manager for policy, described the platform as the product of "a decade of soul-searching" aimed at finding not "a cute new theme but at finding solutions that leave behind the old boundaries."

At the heart of the platform are the words middle class. Insisting that Democrats need to stand with middle-class voters has been a central cause of the leadership council, and some on the party's left worry that "middle class" have become code words for backing away from the poor.

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In Clinton's Mixed Platform, 'Middle Class' Is Main Plank

By E. J. Dionne Jr.

WASHINGTON — The Democratic Party platform put before the convention for adoption on Tuesday represents an effort by the Clinton campaign to write a heroic final act to the dispiriting drama that has been Democratic politics since the Vietnam War.

The platform is a mixture of planks that puts the party to the left of where it once was on some questions and to the right on others. It thus represents an attempt to reach a new consensus by combining positions not generally seen under the same banner during the last quarter-century of ideological warfare.

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PROUD MOM — Bill Clinton's mother, Virginia Kelley, right, being hugged by an official of the Arkansas delegation.

Quote-Uncquote

Senator Bill Bradley of New Jersey said in his keynote address: "Americans are uncertain and divided. People are angry, and so am I. For 12 years, I've seen kids kill kids in our cities and people sleep in the streets. For 12 years, I've watched workers lose their jobs, and government yield again and again to the special interests. For 12 years, I've heard our leaders say, 'Everything is just fine.' For too long, American leadership has waffled and wiggled and wavered. Tonight in America, wages are flat, unemployment is up, the deficit grows, and health care and college costs skyrocket. What did you do about it, George Bush? You waffled and wiggled and wavered."

Away From the Hustings

- Tougher automobile emission inspections with high-tech testing are planned by the U.S. government for the nation's smoggiest cities. The stringent testing will begin in 1994.
- Severe storms lashed the U.S. Midwest, unleashing floods and high winds that tore through trailer parks, knocked down trees and cut power to some areas. At least two people were reported killed.
- President George Bush will veto legislation now in Congress calling for a nuclear-test moratorium, administration officials said Tuesday.
- The pregnant California woman who brought French abortion pills into the United States, Leona Benton, will be allowed to take them, a U.S. judge in New York ruled Tuesday. She is about seven weeks pregnant. The pills have not been licensed by the Food and Drug Administration.
- What has railroad wheels and flies? The 30-car trash train, searching for a happy dumping ground since June 22 for its load of New York City garbage, was due to head east out of Streator, Illinois, on Tuesday. According to a spokesman for the hauling company, the load should receive a proper burial by Wednesday.
- Prosecutors in the Iran-contra trial of Clair E. George met judge-imposed deadlines Tuesday, and argument proceeded over what secrets the defendant could use. WP, AP, UPI, AP

Brown's No-Frills Night Out Spurned at Convention, He Bunks With the Homeless

By Lloyd Grove

WASHINGTON — To find Jerry Brown at the outset of Democratic National Convention, one didn't search in the usual places.

While Bill Clinton was occupying a suite at the Intercontinental Hotel, his lone rival was bedding down at an apartment house for homeless people — in a small room with a sink and bare floor, with a bathroom down the hall.

"It was hot," Mr. Brown reported the morning after, as he visited another homeless center in Harlem. "Not as comfortable as people in my state life are used to," the former California governor went on, "but it was clean and the people were very friendly."

He added, "I felt a sort of anger welling up in myself" as residents told him of the government's insensitivity and unresponsiveness.

Now Is the Time For the Party to Name Its Man

International Herald Tribune

NEW YORK — The Democratic National Convention moves Wednesday to nominate Governor Bill Clinton of Arkansas as the party's presidential nominee.

Earlier the delegates will hear Representative Lee H. Hamilton of Indiana, Governor L. Douglas Wilder of Virginia, Governor James J. Florio of New Jersey, Senator George J. Mitchell of Maine and Senator Bob Kerrey of Nebraska speak on democratic values.

The evening's proceedings also will include a debate on convention rules and a film on the late Robert F. Kennedy.

PÉROT: Under Pressure, Campaign Circles Wagons

(Continued from page 1)

Some of Mr. Perot's advisers feel an opportunity is being missed. "It's like there is a wide receiver open downfield, and you have a quarterback who keeps running the fullback up the middle," said an official with the campaign.

PARTY: Belief at Last

(Continued from page 1)

Tony Coelho, the former majority whip in the House of Representatives. "He needs to be telling people. This is what the Republicans are going to do, this is what they're going to say. Then when they open up on him, he can go the country and say, 'You see, I told you they'd do that, and it's all lies.'"

Paul Kirk, a former Democratic chairman from Massachusetts who is identified with the Kennedy family, offered a similar thought.

"If Bush has nothing to say about the future, they'll go negative," he said. "It may be that the electorate is so upset that it does not pay any attention, but he needs to be ready to respond anyway, or he'll lose control of the rhythm and the direction of the campaign. He'll be talking about their attacks and their issues on their schedule. That's fatal."

On the other hand, a number of Democrats are daring to cast Mr. Clinton in the Woodrow Wilson role in what they see as a rerun of the 1912 campaign. That year, an incumbent Republican president, William Howard Taft, fought a grudge match with a third-party candidate, Theodore Roosevelt, allowing Mr. Wilson, the Democrat, to sneak into office with 42 percent.

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U.S. Navy Threatened Australian Airliner

WASHINGTON — The U.S. Navy has opened an investigation into a threat by one of its warships that it would shoot down an Australian airliner unless it changed course, the Defense Department said Tuesday.



AT EASE — A French soldier unwinding atop his armored vehicle on Tuesday in Paris as his unit awaited its turn to join the traditional Bastille Day military review down the Champs-Élysées.

Mitterrand Warns France Of 'Explosion' in Suburbs

PARIS — Speaking after outbreaks of violence in the Paris region, President François Mitterrand warned on Tuesday that France's depressed big-city suburbs were in danger of exploding.

CHIPS: Latest Alliances That Jump Frontiers Leave Sematech in Limbo

(Continued from page 1) announcement, they agreed with IBM's changing philosophy. "Clearly, the biggest concern is spending tax dollars to create jobs in other countries," said William J. Spencer, president and chief executive of Sematech.

The world market for semiconductor-manufacturing equipment is \$20 billion, and American makers of such production gear registered an increase in 1991 world-wide market share to nearly 41 percent, from 38 percent in 1990.

WEAR: The B.U.M. Look

(Continued from page 1) Equipment represents a change in attitude. Now it's not cool to show off all you have.

SLOVENIA: Amid Tragedy, a Slavic Switzerland

(Continued from page 1) former Communists and centrists replaced Mr. Peterle, a conservative Christian Democrat, with Janez Drnovsek, a former Communist, in May.

The U.S. election, Civil war in Yugoslavia, The breakup of the Soviet empire, Partition in Czechoslovakia, The global recession. These events affect all our lives. Shouldn't you be following them daily in the IHT? Subscribe 46% and save up to off the newsstand price. CALL US TOLL-FREE IN FRANCE: 05 437 437 GERMANY: 0130 848585 SWITZERLAND: 155 57 57

IRAQ: On the Rebound From War

(Continued from page 1) will be slowed at the same time. Earlier this month, King Hussein of Jordan agreed under U.S. pressure to enforce the UN trade embargo against Iraq more effectively in the future.

Delayed Payoff Rewards Loser

(Continued from page 1) VICTORIA, Seychelles — The former president of the Seychelles hit the jackpot in a lottery held to raise funds for the man who ousted him in a coup 15 years ago.

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CROSSWORD PUZZLE. Solution to Puzzle of July 14. Includes clues for Across and Down.

CROSSWORD PUZZLE. Includes clues for Across and Down.

AMERICAN TOPICS. Asbestos Contaminated Model in Mass Damaged. For investment every in the

AMERICAN TOPICS

An Insurance Fraud On L.A.'s Freeways

In a scam that has occurred dozens of times on Los Angeles freeways in the past few months, drivers pull in front of big trucks and slam on the brakes to cause rear-end collisions. The aim is to collect thousands of dollars in insurance payments.

More than 20 people have been charged in five suspected freeway crash rings during the past three weeks, and more arrests are expected, according to the Los Angeles County district attorney's office. Trucks are favored targets because they cannot brake quickly and because their owners are likely to carry more insurance than ordinary motorists.

But who would be foolhardy enough to take part in such a dangerous scheme? According to indications from court records and interviews, the answer, the Times says, is desperately poor Latino immigrants recruited to ride in the crash cars for as little as \$100 each. They are paid by ringleaders who net thousands of dollars from the wrecks.

These people have no means to begin with and they're out there trying to provide for their families — not that it's a right thing to do, of course, said one defense attorney.

Short Takes

In an increasing number of U.S. communities, households pay a fixed price for each bag or can of garbage they generate, rather than paying a flat fee. Proponents say the system encourages recycling, thus re-

ducing garbage costs and the expanding need for landfills and multimillion-dollar incinerators. And, they contend, it promotes fairness: Small families that produce little garbage no longer are underwriting large families that fill several cans a week. The oldest such system is probably Seattle's, which started in 1981. Since then, a spokesman said, the proportion of the city's trash that is recycled has increased from 5 percent to 42 percent.

Despite growing racial diversity in public schools, U.S. teachers have remained overwhelmingly white and female. The survey, by the National Education Association, the largest teachers' union in the country, found that 86.8 percent of teachers are white, about the same as 20 years ago. Eight percent are black and 3 percent Latino, with other minorities accounting for the remaining 2.2 percent. Nearly three-fourths of all teachers are women. The percentage of male teachers, at 21.9 percent, is the lowest on record. Men account for only 12 percent of elementary teachers but 43.8 percent of high school teachers.

Tales of the Tape: Duct tape, used to seal air-conditioning vents, is so handy and sturdy that it has innumerable other uses. The New York Times notes, "And since everyone pronounces it 'duck tape,'" Mason Tape Inc. has trademarked the name Duck Tape for its version of the product. After 50 years, Johnson & Johnson is phasing out the pesky reddish-orange strings that are supposed to open Band-Aids but frequently don't. It is switching, as many of its competitors already have, to a wrapper held together by an adhesive strip that is simply pulled.

Arthur Higbee

Who Is the Real Boris Yeltsin?

Doubts Linger About Russian, U.S. Aide Says

By Ruth Marcus

Washington Post Service
KENNEBUNKPORT, Maine — A senior administration official, while expressing strong U.S. support for President Boris N. Yeltsin, has indicated lingering doubts about the Russian leader, saying the depth of Mr. Yeltsin's commitment to democracy remains a "big question."

The official, who spoke on condition of anonymity, said that "whether he is a genuine reformer because deep down he is a democrat — well, let me just say there is a big question about that. He is a genuine reformer because that has been the wave to catch."

But Mr. Yeltsin is "the one we ought to put our money on," he said. "I think we genuinely have to support him."

Mr. Yeltsin, he added, "certainly is a democrat now." But contrasting the Russian president with former Soviet Foreign Minister Eduard A. Shevardnadze, the official said, "Is it out of personal conviction, as I think it is with Shevardnadze? I don't know. I think the man is a very skillful populist."

The test will come when and if

the reforms aren't working and he has to put himself on the line, whether to push something which is genuinely unpopular or to lead off in another direction.

Even during the attempted Soviet coup last summer, when President George Bush praised Mr. Yeltsin's defiance of the coup plotters as "superb," senior officials expressed apprehensions about Mr. Yeltsin's ambitions and ability to lead Russia. At that time, the same senior official, who spoke to reporters Sunday, described Mr. Yeltsin as having an "instinct for the demagogic," an "enormous, enormous ego" and a passion to do "what plays" among the populace.

The official's comments made clear that some of that nervousness remains even as Mr. Yeltsin has, as the official put it, "learned the polish of Western diplomacy" and is a "remarkably different person than he was when he first came here."

"We need to take some risks, I think, for Yeltsin," said the official. "Whether you trust him or not is a subsidiary issue."

Other senior figures in the administration have taken notably more positive views of Mr. Yeltsin in recent months.

Secretary of State James A. Baker 3d, for example, argued within the administration that the Russian leader is fundamentally different from all those of the past because of his commitment to democracy and reform. On the surface, at least, this view was accepted by Mr. Bush, who went out of his way during Mr. Yeltsin's visit to Washington last month to describe Russia under his leadership as "a partner" of the United States and to proclaim that the two nations had established "a new relationship."

To demonstrate its backing, the administration has been trying to persuade Congress to approve the U.S. share of a \$24 billion Western aid package for Russia.

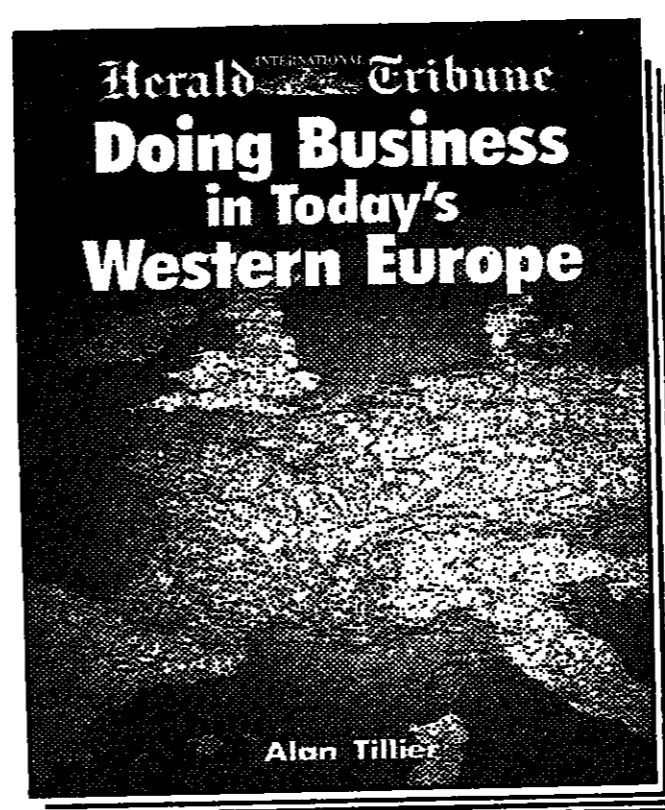
Comparing Mr. Yeltsin with Mikhail S. Gorbachev, the former Soviet president, the U.S. official said Mr. Yeltsin "does believe that the system is deeply flawed and needs to be changed" — something that he said Mr. Gorbachev never fully accepted.

Nonetheless, the official said, Mr. Yeltsin is likely to confront pressure to go in an authoritarian direction as his country's economic woes continue.



BLESSING IN MOSCOW — A Russian Orthodox priest, Father Pitrim, giving a blessing Tuesday to Mikhail S. Gorbachev, who seemed uneasy for it. The former president and Communist Party leader, now head of a research institute, was opening a conference, "Toward a New Civilization."

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Asbestos Conviction Sets Model in U.S. for Mass Damages Trials

By Liz Spayd

Washington Post Service
BALTIMORE — The conviction of six asbestos manufacturers by a Maryland jury in the largest asbestos trial in the United States is expected to serve as a model for hundreds of thousands of outstanding cases involving millions of dollars in damages dating back decades.

All told, there are nearly 100,000 asbestos personal injury claims pending in federal and state courts around the country. In Maryland, the number of such cases has been accumulating at a rate of more than 7,000 a year.

The jury's decision on Monday that all six defendants were liable for manufacturing products they should have known were dangerous, set the stage for more than 8,500 former steel and shipyard workers from around Maryland to receive compensation for lung cancers and other asbestos-related diseases.

The Baltimore trial started with more than 100 defendants, but through settlements along the way, that number was winnowed down to the six who had judgments rendered against them Monday: AC&S, GAF Corp., Keene Corp., MCIC Inc., Pittsburgh Corning Corp. and Porter-Hayden Co. Sources said some of the defendants are holding settlement talks.

The findings could lead to millions of dollars in damages because the verdict will be used in coming trials that will determine the degree of exposure and specific monetary awards for individual plaintiffs. The stakes could grow higher if the Baltimore jury, in issuing what will be a four-part verdict in the days ahead, decides that punitive damages also should be awarded to the victims.

The verdict, after two days of deliberations, culminates what has been an expensive and protracted trial.

Dozens of lawyers packed the Baltimore Circuit courtroom each day, as did row upon row of former steel and shipyard workers, many of whom were shuttled in by bus. "I'm confident by this verdict that their day of compensation is near," said Patricia Kasputys, an attorney with the law firm Peter G. Angelos, which represents most of the plaintiffs.

In all, some three dozen products

were reviewed by the jurors. In every case, the jury found that the asbestos companies were negligent for producing products that they knew or should have known were dangerous to those exposed to them, failed to issue proper warnings about their hazards, and are consequently liable for any damages those products caused.

The trial's sheer size, and the consolidation process used to resolve the thousands of cases, is apt to be copied throughout the country, legal experts said.

"I think the consolidation process was vindicated," said Judge Marshall Levine after the verdict, who was called out of retirement to handle the litigation.

The plaintiffs filed their lawsuits individually over the past decade, but Judge Levine decided to lump them together for one trial in an attempt to unburden court dockets throughout Maryland. The asbestos lawsuits had been piling up twice as fast as they were being resolved.

By consolidating the cases, Baltimore not only became the scene of the largest asbestos trial in U.S. history, but also captured the attention of legal experts nationwide because of its innovative approach to resolving asbestos claims.

All along, lawyers for the defendants argued that their clients' rights were being compromised so that the court system could be untangled from a web of litigation. By lumping everyone together, no one gets a fair hearing, the defendants maintained.

As a practical matter, the goal of consolidating cases is not so much to bring cases to trial, but to encourage both sides to settle or risk getting hit with a verdict they do not like. When cases are tried one by one, the process drags on for years, so that no one feels pressured to negotiate.

Greenpeace Venice Protest

Reuters

VENICE — Demonstrators from the environmental group Greenpeace blockaded an Italian state-run refinery Tuesday that they claimed was discharging harmful chemicals into Venice lagoon. Using the Greenpeace ship *Sinus* as a base, they used 50 wooden beams to dam a drainage channel at Enichem chemical refinery.

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A New Party Attacks Japan's Political Shoguns

By David E. Sanger
New York Times Service

TOKYO — If Japanese history had taken a different turn more than a century ago, Morihiro Hosokawa, the scion of a family of feudal warlords who were always staying off more powerful shoguns in the capital, would probably be ruling over a good part of the country today.

Instead, Mr. Hosokawa is the newest and most visible political challenger in Japan in years, revealing in his role as an outspoken defector from the governing Liberal Democratic Party.

In the election campaign for control of the upper house of the Diet, or parliament, he has emerged as the leader of a new party with a popular theme: Tokyo wields far too much power over the rest of the country, and the time has come again to diminish the influence of modern-day shoguns in the capital.

"Everyone knows that we have a structural conspiracy in this country among politicians, bureaucrats and businessmen," Mr. Hosokawa said the other day. "Americans know it. Japanese know it." And, he argues in the platform of the Japan New Party, that conspiracy has created a system that has "grown moribund and out of touch with the realities of the world."

Such critics of Japan's highly centralized, crony-ridden system are hardly uncommon, but until now they have come chiefly from foreigners, including many

Americans. Mr. Hosokawa is an insider's insider, not only a descendant of one of the families that ruled Japan's feuds before the restoration of the emperor in 1868, but a former governor of Kumamoto, the area where his family once ruled. He is also a close friend of Noboru Takeshita, the former prime minister who leads the governing party's largest and most powerful faction.

As a result, his stinging attacks on Japan's entrenched bureaucracy and the country's political machine have become the most notable feature of an election campaign that, like most here, are devoid of many big issues. But it is unclear whether Mr. Hosokawa will successfully tap what polls show is an enormous reservoir of discontent with the governing party.

Though 30 percent to 40 percent of voters often say they are dissatisfied with

the political scene in Japan, most are enormously wary of displacing the leaders who for nearly four decades presided over one of the world's most remarkable economic expansions.

By all accounts, the 54-year-old Mr. Hosokawa will not make much of a dent in the Liberal Democrats' lead on election day, July 26. But even a modestly successful showing — five to eight of the 127 seats up for election — would make the Japan New Party, as it is officially known in English, a force that the Liberal Democrats will have to reckon with.

In the last election, three years ago, the governing party lost control of the upper house for the first time in decades. Since then, the country's most powerful leaders have been forced to negotiate with smaller parties to pass any major bill that is opposed by the Socialists and the Commu-

nists, most recently the legislation to allow Japanese troops to join UN peacekeeping forces.

Mr. Hosokawa expresses admiration for Ross Perot, the undeclared U.S. presidential candidate, and seems to be following his strategy of running as an outsider with insider credentials. He says he wants to appear on call-in shows to get his views directly to the people, in the Perot style, but there are no call-in shows in Japan, and television networks are severely restricted in how they can report campaign news.

What led to his decision to run, he says, was his conclusion that Japan's often-repeated vows to reform itself were largely empty.

Serving on a high-level government committee last year that was exploring ways to halt Japan's endless series of financial scandals, he watched as the governing party and the Finance Ministry forced the group to drop a recommendation that would create an independent Securities and Exchange Commission. Instead, they wanted to continue regulating the ministry's supervision of the industry. "It is like letting the thieves become the judge," Mr. Hosokawa said.

But the business sector, whose support Mr. Hosokawa needs the most, is impressed with his vows to clean up the country. Few believe Mr. Hosokawa's beliefs are as strong as his oratory. Few still want to tinker with the political stability that single-party domination has brought.

2 Polls Bolster Governing Party

TOKYO — Japan's governing party is gaining support and should do well in upper house elections on July 26, according to two polls published Tuesday.

While the Liberal Democratic Party is unlikely to regain the majority in the second chamber that it lost in 1989, the surveys indicate it is on course to achieve its most modest target — at least 64 of the 127 seats being contested.

Half of the 252 seats, which carry a six-year term, are contested every three years. A vacant seat is also being fought this time.

The party's 37-year unbroken dominance is not at stake in the election, because of its firm control of the powerful lower house.

But a good showing on July 26 would lay the foundations for a drive in 1995 to regain its majority there.

Mount Pinatubo Awakens With A Cloud of Ash

MANILA — Mount Pinatubo, 100 kilometers northwest of Manila, erupted mildly on Tuesday after 10 months of slumber, spraying nearby towns with ash. There were no reports of casualties or damage.

Unlike its violent explosion last year that killed more than 600 people, the latest eruption, scientists said, was characterized by moderate blasts and a quiet emission of lava, forming a dome inside the crater.

The current type of moderate eruption can last for years, the government's chief volcanologist, Raymundo Punongbayan, said by telephone.

The eruption rained fine dust and ash over towns up to 30 kilometers (18.5 miles) from the foot of the volcano, he added.

After the eruptions last year, the government prohibited entry into a 10-kilometer-wide zone.

Khmer Rouge Overrun Villages, Violating Pact

PHNOM PENH — In a major truce violation, Khmer Rouge guerrillas seized two villages in northern Cambodia on Tuesday, a spokesman for the United Nations peacekeeping operation said.

The guerrillas overran the government-held villages near Phnom Kulen following artillery shelling, a spokesman said. A civilian was killed and another was wounded, the UN reported. There was no information on military casualties.

The Khmer Rouge, which signed a peace accord in October, has been fighting sporadic small-scale clashes with government forces, and has refused to join the other Cambodian factions in sending all troops to UN-supervised holding areas, a one-month operation that was to have been completed Saturday.

The Khmer Rouge killed hundreds of thousands of people during a fanatical attempt to restrict Cambodia's society in late 1970s. Vietnam invaded in late 1978 to end its rule. The Khmer Rouge, which claims to have 25,000 guerrillas, continued fighting from the jungles.

In a statement distributed to the UN peacekeeping authority and to the press on Tuesday, the Khmer Rouge promised to send all its

guerrillas to barracks within a month if the Vietnamese-installed government was dissolved during that period.

The proposal offered for the first time, a specific timetable for Khmer Rouge disarmament and the replacement of the government. Otherwise, the proposal does not appear to alter previous demands that the Khmer Rouge has said must be met before it will rejoin the peace process.

The government has rejected demands that it be dissolved. The peace accord says the government is to remain in place until elections next year. (AP, AFP)

Rocard Starts China Visit

BEIJING — Michel Rocard, the former French prime minister, arrived Tuesday for a week-long visit, diplomatic sources said.

Ex-Leader of Bulgaria Charged in Corruption

SOFIA — A former prime minister of Bulgaria, Grisha Filipov, 73, was arrested Tuesday on charges of corruption during Communist Party rule.

Mr. Filipov was prime minister from 1981 to 1986, and remained a member of the party's ruling Politburo until six days after President Todor Zhivkov was deposed in November 1989.

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*Notices for concessions and works in connection with this project were dispatched to the Official Journal of the European Communities on 30, June 1992.

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Berlin's 'Bluebeard' Bows Out

By John Rockwell
New York Times Service

BERLIN — Sunday's season-ending performance by the Komische Oper, one of Berlin's three opera houses, was sadder and more significant than most such finales. The evening offered what was almost surely the final performance ever of one of the most famous stage productions in the world: Walter Felsenstein's version of Offenbach's opera "Ritter Blaubart" (originally "Barbe-Bleue," or "Bluebeard"). This was the last Felsenstein production still in the repertoire of the company he founded in 1947.

Despite the sense of loss, the performance was a joyous occasion, with 20 minutes of standing ovations at the end and flowers hurled back and forth across the orchestra pit. But the farewell came accompanied by controversy, and the leading characters spiked their dialogue with barbed references to the decision to end the production's 29-year run.

"I love Kupfer," proclaimed the tenor Günter Neumann, interjecting a remark about the Komische Oper's current artistic director, the stage director Harry Kupfer, into Bluebeard's paean to his wives. "But I also love Felsenstein." The audience broke into cheers. Kupfer had left town, to polish his Bayreuth "Ring" production.

To comprehend the emotion and import of this occasion, some background is necessary. Felsenstein, who was born in Vienna in 1901 and died in Berlin in 1975, was one of the most influential operatic stage directors in history. His fanatic concern for what he called "realistic music theater," which he enlivened with a powerful sense of theatrical fantasy, shaped German stage direction in the second half of this century.

He believed in the primacy of theatrical concerns over purely musical ones, in months of detailed rehearsal and in single casts to sustain the integrity of a production. (If any singer was sick, the performance was canceled.) Felsenstein founded the Komische Oper in the eastern part of the city in 1947 and quickly built it into a shrine for theatrically inspired opera directors. Among his disciples are Götz Friedrich, Joachim Herz and Sarah Caldwell, as well as Kupfer, but no German director has escaped his influence.

Felsenstein felt a special closeness to the German-born Offenbach, whose wicked satires of Parisian life in the Second Empire he adapted into equally sharp, although more overtly Germanic, commentaries on Teutonic foibles. "Barbe-Bleue," first seen in Paris in 1866, is a comic treatment of the Bluebeard legend, with his former wives returning to life and the last,

Boulotte, giving him a lesson in proto-feminism. The opera had never been a particular Offenbach hit, but Felsenstein's adaptation, first seen in Berlin in September 1963, quickly became among the most popular in the Komische Oper repertoire. "Ritter Blaubart" was seen in nearly every season over the past 29 years; Sunday's performance was its 369th. It was taken on tour all over Europe and to Japan, and three years before his death Felsenstein documented it on film.

"Ritter Blaubart" was Felsenstein's first new staging after the construction of the Berlin Wall two years before. The Wall had threatened the company's very existence; many of its ensemble members had lived in West Berlin. Felsenstein included, and several refused to remove, "Blaubart," with its cringing courtiers and its crazed

about committing money to new sets when a successor in a role so tailored to his comic gifts would be almost impossible to train.

More complexly, there are questions of theatrical ethics and ego. Would Felsenstein have wanted a museum-like preservation of his always fresh and spontaneous theatrical art? (Parts of the sets and costumes have already been promised to a Berlin museum.) Is it legitimate to entrust an assistant, no matter how faithful, to the preparation of new singers, when Felsenstein himself would surely have adapted the portrayals to suit their talents?

"The problem is, there is no directorial authority to oversee the changes," said Stephan Stompor, a Komische Oper dramaturge who is a leading historian of Berlin musical theater. "If one acted strictly according to Felsenstein's principles, then this production would have been set aside 15 years ago. But everything changed when he died."

Schneider and the singers contend that there is life left in the old sets and that they are willing—eager, even—to carry on. All of them cast doubt on speculation that Kupfer may be happy to free himself from the Felsenstein legacy, although all of them also bring up that very point before they deny it. Stompor called "Blaubart" an "unloved child" in the current Komische Oper administration.

Most of the production's admirers believe it retained to the end the essence of Felsenstein's conception, although this particular admirer, who saw the show several times in the 1960s, thought it had lost a good deal of its distinctive timing, sharpness and choreographic flair.

Still, the famous set pieces, including Bluebeard and Boulotte riding off on their fake horses to Bobeche's castle and Bluebeard's wives marching up from their crypt to freedom, have an irresistible charm. Neumann and Prieu invested their parts with a spunk that never contradicted Felsenstein's intentions, and Enders, manic and crazed with his bald head, tiny crown and black tights bedecked with fleur-de-lis, still offered one of the great comic grotesques on the German stage.

"I believe Felsenstein would have been happy with what we did," Enders said. Still, he said he doubted that Kupfer and Rackwitz would change their minds and allow the production back on the stage. Schneider, too, said he thought that "Felsenstein wouldn't have turned in his grave if he had seen and heard our version of his production."

"Before the opening of the Wall," he added, "we had good audiences, but the production did seem a little tired. Now we have a new public with a new attitude, and the actuality of Felsenstein's conception seems more contemporary than ever."

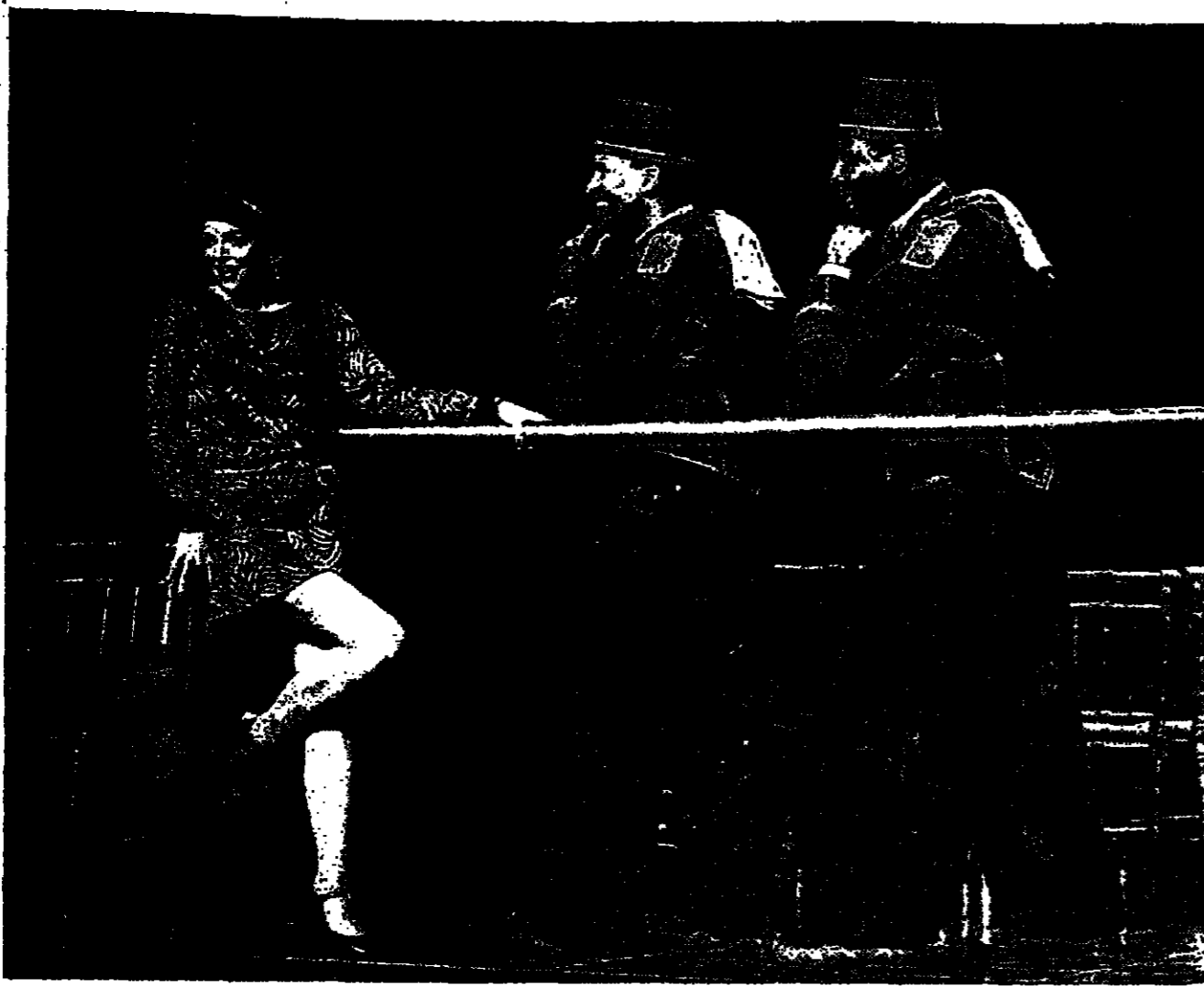
Felsenstein's version of Offenbach's 'Ritter Blaubart' is one of the world's most famous productions.

King Bobeche inspired by Charlie Chaplin's Great Dictator, was widely seen as a none-too-subtle comment on the East German government.

The original cast sang from 1963 to 1981. In 1983 came a restudied staging overseen by a Felsenstein assistant from 1963, Martin Schneider, with Neumann and Uta Prieu in two leading roles as Bluebeard and Boulotte. It is this cast that sang on Sunday night, with Werner Enders as Bobeche, two other soloists in smaller roles and 13 of the original chorus members from 1963.

The production had been scheduled to disappear after a Japanese tour last summer, but widespread protests in the German press led to its return for six more evenings this spring and summer. Now, said Werner Rackwitz, the company's administrative director, it's really finished; although, perhaps sensitive to the even more energetic protests this year, he left himself a James Bondian opening by adding, "In this life, you can never say never."

The arguments for dispensing with what remains the company's most popular production are several, Rackwitz said. The sets are dangerously old and would have to be rebuilt, at considerable time and expense. The singers "aren't getting any younger," and with Enders now 68 years old, the company is apprehensive



Lynnette Perry as Flaemmchen and David Andrew White and David Jackson as the Jimmys in "Grand Hotel."

'Grand Hotel,' Thoroughly in Tune

By Sheridan Morley
International Herald Tribune

LONDON — Alongside "City of Angels" and "The Will Rogers Follies," neither of which is likely to be around the West End until long after the recession recedes, "Grand Hotel" is the musical generally reckoned to have brought Broadway back to life and self-respect after a decade of European imports.

Its triumph is that of the choreographer/director Tommy Tune, who has ensured that, after all the through-sung musicals from London, this one should by contrast be through-danced. Its score is a curious hybrid of Wright and Forrest (they of "Elmer" and "Song of Norway") and the infatigably stumpy music and lyrics of Mandy Patinkin ("Nine"), but we do get a couple of show-stoppers and this seems to me a rare example of a Broadway musical looking rather better at the Dominion than it did along the Great White Way almost three years ago.

Derived from the Vicki Baum best-seller and a famous MGM movie of 1932, which had Garbo as the ballerina wanting to be alone but surrounded by such other Metro-luminaries as John and Lionel Barrymore, Joan Crawford and Lewis Stone, "Grand Hotel" is set in Berlin just before the arrival of the Nazis and is to that extent the immediate forerunner of "Cabaret."

It, too, tells a number of different character tales in short-story form, but where Isherwood and Kander/Ebb focused on the sleazy world of the nightclubs, "Grand Hotel" is an altogether more cheery, upmarket affair, emphasizing the possibility of life and happiness even in the face of death. Thus the old and ailing bookkeeper

(wonderfully played by Barry James) gets to go off with the young Hollywood-bound secretary, and even the drug-addicted doctor agrees to stay in the foyer for just another day, watching to see which other of his guests will survive against all odds.

The ostensible star here is Liliane Montevecchi, cascading from a great height as the ballerina, but

Irishman and the American; all are chained to the wall by their ankles, all are forced to examine not just who they are, but the nations from which they have come. The American (Hugh Quarshie) is the most immediately likable, a black doctor of simple goodness which makes it all the more horrifying when he disappears, presumably shot, at the intermission.

Just as McCowen stoops under the weight of Home Counties English prejudice, so Rea flails around in a fog of uncharted Irish fury until both men come to realize that they, in fact, quite like each other and are separated by nothing more than 600 years of quarrelsome history. Robin LeFevre admirably directs.

LONDON THEATER

The show is always in Tune, a choreographer's benefit night in which the dancing around the foyer never stops for fear that we might then start to think too hard about the holes in the plot.

This "Grand Hotel" is about constant movement; it is a revolving-door show of stunning stunts, and a hugely important affirmation that there is life yet in the old Broadway musical. Of that, Tune is the greatest surviving practitioner in a generation prematurely cut down by AIDS. What we are celebrating here is the greatest American musical of the decade, one custom-built (as was the original movie) for survival in bleak economic times.

Good news, too, at Hampstead, where Frank McGuinness's "Someone Who'll Watch Over Me" offers the best trio of performances in the strongest script since Ariel Dorfman's "Death and the Maiden" was first seen at the Royal Court a year ago. Set in Beirut at some unspecified time in the last five years, this is the story of three hostages in a cell. Those looking for instant historical prototypes would suggest John McCarthy, Brian Koppelman and Terry Anderson and they would be wrong, for in no sense is this a documentary or report on real Middle East times.

Instead, it's a device to tell the one about the Irishman, the En-

The other two are an odd-couple marriage made in hell: a belligerent Ulster journalist (Stephen Rea) and a prissy lecturer in Middle English (Alec McCowen), forced to share not just a cell and the imminent possibility of death, but also the need to explore their own personalities in the light of the nations that have shaped them.

Thus "Someone Who'll Watch Over Me" (a curiously chosen Gerishwin title which becomes only evident in a closing scene of remarkable romanticism) is a play about England and Ireland, rather than the Middle East, and in its lengthy duologue McGuinness wonderfully explores all the old territorial imperatives.

The highly contrasted double-act of Rea and McCowen works its own wonders: two men with apparently nothing in common except distaste and distrust comes to understand and even love each other in captivity, whether recreating Wimbledon finals from 20 years ago or working out lists of favorite records for radio-request programs back home in the unlikely event of their release.

In fact, one man does get released, though it would be unfair to reveal which; yet again and again one is brought up against McGuinness's rare gift for literate debate rather than action.

The circumstances may be extremely topical, but the debate itself is as old as the first-ever disagreement between England and

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Y. SLIGO, IRELAND

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Redefined Democrats?

An oddity of the Democratic National Convention is the relative absence of the most familiar kinds of tension and suspense. The principal outcomes — ticket, platform — are already known. It is true that there will still be skirmishes over platform planks...

have found what it calls "a third way" and to be comfortable with it. "We welcome the close scrutiny of the American people," the platform says, "including Americans who may have thought the Democratic Party had forgotten its way."

Keep Serbia Isolated

Containing Serbian savagery is moving the Atlantic alliance and Europe's own fledgling alliance, the Western European Union, to dispatch ships and aircraft to tighten the embargo on Serbia as well as to deliver food to the victim state of Bosnia.

occupier of Bosnia. Serbs have their own fair claims for protection of their people in a struggle where atrocities are not the monopoly of one side. But they must understand that at the end of the aggressive policy they are pursuing in Bosnia — a policy which makes them the principal source of Yugoslavia's continuing agony — lies their indefinite isolation in international society.

A Salvadoran Cleanup

El Salvador has enjoyed a merciful but nervous peace since January, following a 12-year civil war that claimed more than 60,000 lives. The fighting ended with an agreement by guerrillas to lay down their arms and by the government to discharge war criminals from a brutal army.

Far more sweeping changes are envisioned in United Nations peace accords, which call for reducing by half the size of the army and for creating a national police force with guerrilla recruits. United Nations monitors fault leftist rebels for seizing more farms after the cease-fire, and for providing lists of only a portion of the weapons they are supposed to surrender.

New East Asia in a Multicultural World

By George Yong-Boon Yeo

The writer is Singapore's minister for information and the arts, and second minister for foreign affairs.

SINGAPORE — For the next decade or two, East Asia will remain fragmented, with countries like China and South Korea deeply distrustful of a resurgent Japan. The United States is therefore needed as a moderator without which East Asians will fight one another.

For much of the 20th century, this consciousness was submerged by two major events: Japanese imperialism and the Cold War. Japanese imperialism was defeated, but its effects linger. Painful memories of the period before 1945 and the atrocities committed continue to affect the relationship between China and Japan, and between Korea and Japan.

For Japan to play a world role, Japanese culture must be seen as part of a larger East Asian culture and, indeed, as part of a larger world culture.

will become increasingly porous. Cultural links will become very important. In East Asia, the cultural relationship between China, Japan and Korea will be a critical factor in the political and economic development of the whole region.

It is necessary for Japan to face up squarely to the past. Its reconciliation with China and Korea is politically very important not just for these three countries but for all of East Asia. The process is under way, although it will take time because of domestic politics in Japan and the depth of feelings in China and Korea.

The other factor that held back the re-emergence of a common East Asian consciousness was the Cold War. With the collapse of the Soviet Union, the Cold War has ended. Relations between Vietnam and China have been normalized. The reunification of the divided Korean Peninsula is now a possibility. A new political configuration is taking shape in the region.

Keep Japan and America Together and Involved

By Jusuf Wanandi

JAKARTA — The recent adoption of legislation in Japan that will allow its troops to serve overseas for the first time since the end of World War II has caused some alarm in East Asia. Yet opinion polls and the strength of political opposition to the measure, which allows no more than 2,000 soldiers to serve in peacekeeping roles under United Nations command on peacekeeping operations, show how deeply entrenched pacifism is in Japan.

Japanese occupation before 1945. But the trauma of defeat and postwar devastation has made many Japanese profoundly wary of any form of militarism. The rise of Japan as an economic power has given the Japanese a strong stake in maintaining a peaceful status quo that has allowed them to trade their way to prosperity and a position of international respect.

Japanese alliance over the longer term. The peacekeeping bill is one way for Japan to strengthen the alliance and offset the clamor that was heard in the United States during the Gulf War for the Japanese to contribute more to international security.

This should help allay concern in Asia. Indeed, Japan may need to be encouraged rather than blocked on making a positive contribution to collective security in the region.

Japan must make a contribution to international order commensurate with its economic power. But for that enhanced role to be acceptable to other Asian nations, Japan should maintain its alliance with the United States, not develop an independent military posture.

Finally, Japan must make it clear that it acknowledges guilt for the suffering of its Asian neighbors during World War II. Only through credible repentance can

Convention: The Party's Job Is to Find Answers

By Arthur Schlesinger Jr.

This is the second of two articles.

NEW YORK — Political parties were not part of the original intent of America's founding fathers. George Washington in his farewell address issued grave warnings against "the baneful effects of the spirit of party."

ing, around a table in a smoke-filled room in some hotel and decide the nomination. The nominee of the smoke-filled room at the Blackstone Hotel in Chicago was of course Warren Harding — a salutary reminder for those with romantic illusions about the superior wisdom of professional politicians.

President Gerald Ford at the Republican convention in 1976. Senator Edward Kennedy's tremendous oration at the Democratic convention in 1980 was followed by his slipping away from President Jimmy Carter in full view of the television audience. And there was Mario Cuomo's keynote speech at San Francisco in 1984.

It is not the structure of the political process that needs to be changed.

The unbosomed Democratic convention in 1924 was the longest and among the angriest of them all. The prolonging of party quarrels by the two-thirds rule had long since accentuated cultural differences between Democrats and Republicans. "To the Republicans," said Anne O'Hare McCormick of The New York Times, "politics is a business, while to the Democrats it is a pleasure."

But these were side shows, entertaining, instructive, theatrical, no doubt, yet side shows all the same. The convention's original function — choosing the presidential candidate — has ebbed away. The choice has passed to the primaries, and the convention's function is now to certify results achieved well before the delegates gather in the convention hall.

Why has the convention fallen on such bad times? The obvious answer is the continuing democratization of the political culture expressed, in particular, by the spread of primaries in this country.

Exhausted belligerents show no wish to renew a stalemated war. And a war-wasted economy is reliving, helped by a wise U.S. decision to delay deportation of illegal Salvadoran migrants, prime source of \$800 million in annual remittances. It will truly mark a new era in El Salvador if the commission identifies malefactors and Mr. Christiani removes them as officers. Fuller cooperation in Washington can hasten that salutary day.

The unbosomed Democratic convention in 1924 was the longest and among the angriest of them all. The prolonging of party quarrels by the two-thirds rule had long since accentuated cultural differences between Democrats and Republicans. "To the Republicans," said Anne O'Hare McCormick of The New York Times, "politics is a business, while to the Democrats it is a pleasure."

Why has the convention fallen on such bad times? The obvious answer is the continuing democratization of the political culture expressed, in particular, by the spread of primaries in this country.

faces, not distant favorite sons or political unknowns. The day when a dark horse can be conjured out of a smoke-filled room is not likely to return. Ordinary citizens now nominate presidential candidates long before the convention, and they are not likely to renounce that pleasure.

Much of the contemporary revolt against the parties stems from the spreading fear that politicians are baffled by and intellectually impotent before the long-term crises of the age — that they know neither causes nor cures and are in desperate states of denial or improvisation on the edge of catastrophe.

This fear will be stilled not by structural improvements in the political process but only by analytical improvements in the way we Americans think about our problems. The duty of a great party, James Bryce said, is to find answers and remedies.

A century ago a promising young political scientist reviewed Bryce's "American Commonwealth."

"America," wrote Woodrow Wilson, "is now sunstaring through her resources and through the mazes of her politics with easy nonchalance; but presently there will come a time when she will be surprised to find herself grown old — a country crowded, strained, perplexed — when she will be obliged ... to pull herself together, adopt a new regimen of life, husband her resources, concentrate her strength, steady her methods, sober her views, resist her vagaries, trust her best, not her average, members. That will be the time of change. The time of change is upon us."

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The Court Can Resist Pressure

By Anthony Lewis

NEW YORK — The issue is there in every American presidential election, however unacknowledged: What kind of appointments would the winner make to the Supreme Court? In this election it is fundamental.

Any doubt about that was swept away on June 29 by the court's 5-4-0 decision in the Pennsylvania abortion case. The prevailing opinion, by Justice Sandra Day O'Connor, Anthony Kennedy and David Souter, made clear that at stake was not just abortion but the whole place of law and the court in American society.

Like the character of an individual, the opinion said, "the legitimacy of the court must be earned over time. So, indeed, must be the character of a nation of people who aspire to live according to the rule of law."

Legitimacy would be undermined, the majority said, if the court yielded to political pressure and overturned a major precedent whose legal and factual foundation had not changed. Then it quoted a 1961 statement by Justice John Marshall Harlan: "A basic change in the law upon a ground no firmer than a change in our membership invites the popular misconception that this institution is little different from the two political branches of the government. No misconception could do more lasting injury to this court and to the system of law which it is our abiding mission to serve."

One reason, then, for sticking to Roe v. Wade, the 1973 abortion decision, was concern for precedent, for continuity, for legitimacy. The opinion quoted Justice Harlan often, and that in itself was significant. For he was a conservative in the old sense, the opposite of today's agenda-driven radicals of the right.

Another reason for holding to Roe, as Justices O'Connor, Kennedy and Souter saw it, was the court's tradition of giving "liberty" meaning to the undefined "liberty" guaranteed by the 14th Amendment. There again they followed Justice Harlan's path, tracing how the court over many years had included in that "liberty" such freedoms as the right to make one's own decisions about marriage and parenthood even though the constitution does not list those specifics.

"Marriage is mentioned nowhere in the Bill of Rights," the majority said, "and interracial marriage was illegal in most states in the 19th century, but the court was no doubt correct in finding it to be an aspect of liberty." The court did so in a 1967 decision holding unconstitutional Southern laws against miscegenation.

Justices O'Connor, Kennedy and Souter concluded that "implicit in the meaning of 'liberty' was a woman's right to retain the ultimate control over her destiny and her body." They therefore reaffirmed the right of women to choose abortion in the period before a fetus becomes viable, subject to state regulations that do not put "an undue burden" on the right.

The Pennsylvania case demonstrated as dramatically as anything could the importance of the Supreme Court appointment process. If five years ago the Senate had confirmed the nomination of Robert Bork, he would have been on the Supreme Court instead of Justice Kennedy and the case would have come out the opposite way, with consequences far much more than abortion.

Justice Bork is a literalist who would protect no freedoms except those originally intended by the framers of the constitution. He rejects the entire line of cases under the 14th Amendment's guarantee of "liberty" because he finds the term too vague for judges to enforce. The O'Connor-Kennedy-Souter opinion spoke for the contrary view, the Harlan view, the tradition of a constitution made meaningful again and again by judges.

It was an extraordinary opinion, written in a style of quiet passion, without the usual modern apparatus of footnotes. It read as if the justices had put aside preconceptions to find their way through hard problems to this conclusion:

"Our constitution is a covenant running from the first generation of Americans to us and then to future generations. It is a coherent succession. Each generation must learn anew that the constitution's written terms embody ideas and aspirations that must survive more than one generation. We accept our responsibility to retreat from interpreting the full meaning of the covenant in light of all of our precedents. We invoke it once again to define the freedom guaranteed by the constitution's own promise, the promise of liberty."

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Idaho Mine Riots

NEW YORK — The wires at the scene of the Idaho mine riots have been cut. But enough has been received to show a veritable state of affairs. Hearing that the troops were coming the railway tracks were removed by the strikers, and the bridges were blown up with dynamite. Several of the mine owners were seized and held as hostages and the most valuable mines were filled with explosives ready to blow them up at a moment's notice.

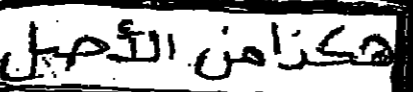
1917: A Chancellor Quits

PARIS — The German Chancellor, Bethmann-Hollweg, has succumbed to the insistent attacks of his critics, and instead of standing his trial before them has resigned. At the same time an official message from Berlin states that the Prussian Minister of War, Lieutenant-General von Slem, has definitely resigned his post. As soon as the new Chancellor is appointed the Reichstag will be convoked in plenary session. There is a conviction in Parliamentary circles that Bethmann-Hollweg's successor will fall in with the proposition of the Reichstag majority for peace without indemnities or annexations.

1942: Warning to Vichy

WASHINGTON — [From our New York edition:] A sharp warning to the Vichy government that the United States would regard destruction of the French naval squadron at Alexandria by the British as wholly justified, in view of the French government's rejection of two offers by President Roosevelt to place the fleet under protective custody, was issued today [July 14] by Sumner Welles, Under Secretary of State. Mr. Welles disclosed that President Roosevelt had proposed the removal of the nine French warships from Alexandria to a United States or Western Hemisphere port for the duration of the war; on understanding that they would be returned to France after the war.

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OPINION

Democratic Moderation Could Win

By Charles Krauthammer

WASHINGTON — An American presidential election is first and foremost a referendum on the character of the candidates. But it is also a referendum on the condition of the country. Ross Perot, George Bush and Bill Clinton are each appealing to distinctly different views of the state of the nation.

problem. It is simply not true. Which is why his message is more moderate and practical: We can do better. I know how. Here is an eight-point plan.

Mr. Clinton has the opportunity to seize the psychological middle ground in this campaign. Leave the mad-as-hell populism to Mr. Perot. Concede the constituency for coasting to Mr. Bush. Present yourself as the candidate not of burn-clearing reform or do-nothingism but of serious tinkering.



Let's Help the Candidates To Watch Their Language

By Henry Beard and Christopher Cert

NEW YORK — These are the B-Sensitive-or-Else '90s, and the language the candidates have used to discuss or avoid discussing the issues has been far more explicit than it needs to be.

(Note: In order to avoid creating the impression that they consider the underhanded somehow inferior to those who happen to live in buildings, the candidates should occasionally refer to those who own or rent houses and apartments as the "non-vagrant homed.")

MEANWHILE

gender- and content-free speech which the candidates can use to ensure that their future utterances are politically correct.

Classy Clinton Has Been Doing a Lot of Things Right

By A. M. Rosenthal

NEW YORK — In convention assembled, let us now join in hope that press and politicians will drop this baby boomer business about Governor Bill Clinton and Senator Al Gore.

will. But he has not shown any tendency to succumb to the non-lefties in the party. And now, 6. Instead of moving in only one direction, liberal or conservative, he shows gut understanding that most Americans are like diners in a Chinese restaurant.

problem with U.S. policy is that it is made by people who don't venture very far from their hotel rooms. This former high-ranking U.S. official dismisses his host country as lacking in diversity, in spite of its four national cultures and languages.

LETTERS TO THE EDITOR

Perot and the Parties

As a former U.S. Navy lieutenant, I am proud to learn that Ross Perot was a contemporary of mine on destroyer duty in the 1950s.

In response to the report "For Perot Backers, the Parties Are Over" (July 9):

I would be very wary of any zealot who thinks he can govern without a party. Besides his presumption, his constituents could be his victims.

HAMPFON TERRY, Valencia, Spain.

A Hard Act to Follow

Regarding "The Royals Have Squandered Their Magic" (Opinion, June 25) by George F. Will:

So Mr. Will thinks that we Brits should get rid of the monarchy. Does he suggest that we should get an actor to combine the ceremonial and the executive aspects of state leadership?

J. I. CAMPBELL, Isle of Canna, Scotland.

There are grounds for that pessimism. The most recent economic news points to the possibility that the country may be heading for a triple-dip recession.

Wade, the 1973 abortion law, was a concern for president. The court's decision in Roe v. Wade was a concern for president. The court's decision in Roe v. Wade was a concern for president.

These anxieties are such that the idea that things can't get worse is current again. The last time this idea had such currency was 1980, when it helped elect Ronald Reagan, another leap-in-the-dark candidate the country felt desperate enough to gamble on.

1. He has taken the dirt flung at him, wiped it off his face and stood like a grown man. Sometimes he surrendered to the cherished constitutional right of Americans to blame the press.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

5 AND 50 YEARS... WASHINGTON — There is a... 1942: Warning to... WASHINGTON — A ship... 1942: Warning to...



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NYSE

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

NYSE Composite Index: 2,845.12 (+11.12)

Dow Jones Industrial Average: 2,845.12 (+11.12)

S&P 500: 2,845.12 (+11.12)

NASDAQ Composite: 2,845.12 (+11.12)

NYSE Volume: 1,234,567,890

NYSE Value: \$123,456,789,012

NYSE Market Cap: \$1,234,567,890,123

NYSE Turnover: \$12,345,678,901

NYSE Bid-Ask Spread: 0.125

NYSE Order Book: 123,456,789

NYSE Market Depth: 12,345,678

NYSE Volatility: 0.125

NYSE Correlation: 0.125

NYSE Beta: 1.125

NYSE Alpha: 0.125

NYSE Risk: 0.125

NYSE Return: 0.125

NYSE Standard Deviation: 0.125

NYSE Skewness: 0.125

NYSE Kurtosis: 0.125

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Various financial data and advertisements on the right margin.

مكتبات الأصيل

Gardini Braves Family Feuds Again

By Alan Cowell

RAVENNA, Italy — Raul Gardini knows how to make waves, and it looks as if he may soon make some more.

After retiring, at least for now, from yacht racing, Mr. Gardini is re-entering the Italian business scene — and with as much high drama and dynastic derring-do as his exit.

Last year, he was ousted as head of Ferruzzi-Montedison, Italy's second-biggest conglomerate, after the three Ferruzzi siblings who control the agrifood and chemical concern decided that Mr. Gardini, their brother-in-law, was taking the company in the wrong direction.

After the ouster, his wife, Idina, sold her 23 percent stake in the company to the family for \$390 million.

Mr. Gardini spent much of this year yachting. His boat, Il Moro di Venezia, lost the America's Cup in May but was the first European boat in almost 30 years to reach the final round of the world's premier yachting event, helping to catapult yachting into the spotlight-sport atmosphere, usually thought of as a soccer monopoly in this country.

Now, his plan to build a consumer-products company in Italy is likely to provide yet another round of feuding within the powerful Ferruzzi clan.

It was widely reported that Mr. Gardini, as part of his severance deal with the Ferruzzi, agreed informally to steer clear of directly competing with any of the family's businesses, a notion that Mr. Gardini says was an "invention of the Ferruzzi."

But he and the chairman of Ferruzzi-Montedison's own sugar company have already jointly bought an interest in a sugar company.

"I was certainly the right person to make the offer," Mr. Malgara said, voicing disappointment, "but Quaker did not accept me like it didn't accept others."

Mr. Gardini became chairman of the Ferruzzi holdings in 1979, after his father-in-law, Serafino Ferruzzi, the group's founder, died in a plane crash. Over the next 11 years, he turned what had been a prosperous but conservative agribusiness based on grain-trading into Italy's second-largest conglomerate, after Fiat, broadening its base, particularly with the 1987 takeover of the Montedison chemical giant.

But the three Ferruzzi siblings began to worry that Mr. Gardini was leading the group into ever more controversial waters, especially when he tangled with Italy's political establishment over a short-lived 1989 merger between Montedison and the chemical division of the state oil company, ENI.

The state placed conditions on the sale that would have thwarted Mr. Gardini's plans to close plants and sell assets. Montedison eventually sold its share of Enimont back to ENI.

After the incident, Mr. Gardini went on an extended vacation to sail in California, saying, "I no longer want anything to do with Italy."

The final rift with the Ferruzzi came when Mr. Gardini promoted a restructuring plan that would have broadened the shareholding away from Serafino's four children to embrace some of Mr. Gardini's business associates and several Ferruzzi grandchildren, including his own son Ivan.

"Everyone knows the proposal was not accepted," Mr. Gardini said, "so I left the group."

Mr. Gardini, meanwhile, along with Giulio Malgara, the former European chief of Quaker, put together \$160 million to bid for part of Quaker's Italian business, including the market-leading cooking-oils division, whose annual sales are \$125 million.

British Airways Chief Confirms Retirement

By Steven Prokesch

LONDON — Lord King confirmed on Tuesday reports he planned to retire as chairman of British Airways PLC, which he transformed from a money-losing state-owned company into one of the world's most profitable carriers.

Lord King, 74, said at the British Airways annual meeting that he was immediately relinquishing his executive responsibilities. They will be assumed by Sir Colin Marshall, 58, the company's deputy chairman and chief executive.

Lord King said he would step down as chairman of the board at the annual meeting next year and would recommend that the board elect Sir Colin to succeed him as chairman. When he retires, Lord King will become president for life, an honorary position.

An adept marketer whom Lord King recruited in 1982, Sir Colin played an important role in improving British Airways' service and marketing its seat classes as brands. He had previously served as a senior executive at Sears Holdings PLC, the British retailing conglomerate, and at Avis Inc. and Norton Simon Inc. in the United States.

In an apparent allusion to talks about taking a stake in USAir Group Inc., Lord King told shareholders that British Airways was "involved in discussions with parties in the United States." But he said he would not elaborate because of his "very sensitive" nature.

Lord King joined British Airways in 1980 as a director and was appointed chairman in 1981. He founded Ferrybridge Industries in 1945 and was managing director of the company until it became Pollard & Koller Bearing Ltd., of which he was chairman from 1961 to 1969.

EC Clears Jet Subsidy Pact

BRUSSELS — European Community governments have formally approved an accord with the United States that would settle a five-year dispute over commercial aircraft subsidies, EC officials said Tuesday.

An EC Commission official said he expected the United States to approve the deal this week. The EC's decision, made at a meeting in Brussels on Monday, deflected the threat of a complaint by Washington to the General Agreement on Tariffs and Trade over subsidies to the Airbus Industrie consortium.

The United States had said that the British, German, French and Spanish governments were subsidizing Airbus unfairly, allowing it to sell aircraft more cheaply than U.S. companies. The EC said Washington was siding Boeing Co. and McDonnell Douglas Corp. with space and defense grants.

Under a pact reached April 1, the EC and the United States agreed to set a 30 to 35 percent cap on government funding for airplane development.

EC Inspects German Venture

BRUSSELS — The European Commission said it had opened an in-depth inquiry into a joint venture between Mannesmann AG and Hoechst AG in the precision steel-pipe sector.

After a preliminary investigation, the commission said that it had doubts about the venture's compatibility with the Common Market and would launch a more detailed inquiry which can last up to four months. The commission said that the German cartel office had asked to undertake an inquiry but that it decided to handle the case itself.

The commission said that it was in a better position to collect information. The most important aspect of the inquiry will be deciding whether the relevant market for competition purposes is Germany, or the Community as a whole, the commission said.

AMB Chairman Leaves His Post

AACHEN, Germany — Aachen & Munchener Beteiligungs AG's chairman, Wolf-Dieter Baumgarth, resigned Tuesday shortly before a shareholders meeting, a company spokesman said.

AMB's executive board voted to replace Mr. Baumgarth with Wolfgang Kaske, chairman of Volksfurage, an AMB-controlled insurance group, the spokesman said.

Mr. Baumgarth had unsuccessfully resisted a move to let Assurances Generales de France gain voting rights to a 25 percent stake in AMB it had amassed.

Separately, AMB said it expected 1992 profit "at least" to reach previous years' levels.

AMB posted net profit of 74 million Deutsche marks (\$50 million) in 1991, up from 68 million DM the previous year.

Investor's Europe

Table with columns for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40 and various exchange rates. Includes line graphs for each index from 1990 to 1992.

Very briefly:

- Rhone-Poulenc SA's joint venture with Sola Fibre SpA came under initial scrutiny by the EC Commission... Westdeutsche Landesbank... Claxo Holdings PLC will pay British Bio-Technology Group PLC £1 million for development and testing of BB-882...

COMPANY RESULTS

Table of company results for various sectors including British, United States, and others, showing revenue and profit changes.

Table of company results for various sectors including Dow Jones, General Mills, and others, showing revenue and profit changes.

Table of company results for various sectors including First Union Corp., General Mills, and others, showing revenue and profit changes.

Table of company results for various sectors including General Mills, and others, showing revenue and profit changes.

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NYSE

Tablets include the previous prices up to the closing on Wall Street and do not reflect late trades elsewhere. See the Associated Press (Continued)

Main NYSE table listing various stocks with columns for stock name, price, change, and volume.

NYSE High-Lows

Table showing high and low prices for various NYSE stocks.

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Table showing high and low prices for various NYSE stocks.

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Chinese Goods Flood Vietnam Smugglers and Importers Hurting Industry

Agence France-Presse HANOI — Vietnamese manufacturers say they are being swamped by a flood of cheap Chinese goods imported by sophisticated smugglers and other traders since the start of the year.

The textile industry is hardest hit, with nearly 40 percent of Ho Chi Minh City's small workshops shutting down amid growing stocks of unsold fabrics, the city's Tuoi Tre daily reported Tuesday.

"Production of construction steel, water flasks, glass and several other products is also on the brink of collapse," the newspaper said.

Tong Thi Thanh Thuyen, deputy director of Ho Chi Minh City's industry office, accused the Chinese of dumping goods on the Vietnamese market below cost to liquidate their surplus stocks.

"Some of these goods that have traveled thousands of miles to reach Vietnam are of such poor quality that they cannot be sold in China," she said.

Vietnamese importers are also to blame because they are only interested in low-priced goods and pay little attention to quality," she said.

Cross-border trade between China and Vietnam has soared since the two countries normalized relations in November, but efforts by the central government to manage it seem to have met with mixed results.

Local authorities and smugglers still appear to control the bulk of the trade, and neither group has shown much concern for import targets set by the central government in Hanoi.

When central authorities imposed new tax and identification requirements in May, the move provoked a boycott by porters that effectively closed the border for a few days in Lang Son province, according to reports from the region.

The army daily Quan Doi Nhan Dan reported Tuesday that tax avoidance was rampant, with Lang Son reporting trade tax revenue of 755 million dong (\$366,000) in the first three months of the year.

Neighboring Quang Ninh province, where the volume of trade is believed to be smaller, reported tax revenue about 20 times higher.

A small number of organized groups dominates the contraband schemes, using sophisticated methods that make old-time smugglers look like amateurs, a Ho Chi Minh City economic official said. The average size of smuggling cases uncovered has increased from \$6,000 last year to tens of thousands of dollars now, he estimated.

Large quantities of Chinese goods also enter Vietnam as part of the barter deals that are a feature of cross-border trade.

Cross-border trade totaled \$67 million in the first 10 months of 1991, up from \$40 million in 1990, according to semi-official Chinese figures.

Hanoi has not released figures for this year, but provincial officials have estimated that volume had at least doubled since normalization.

Vietnam exports mainly products such as rubber, seafood and agricultural produce to China and imports construction materials and manufactured goods ranging from beer and textiles to light machinery and electronic equipment.

Motorola And NEC in Phone Pact

Compiled by Our Staff From Dispatches TOKYO — NEC Corp. of Japan said Tuesday that it had reached an agreement with Motorola Inc. of the United States to jointly sell components for a digital portable telephone system in Asia.

NEC will make the switchboard components and Motorola will supply the radio components of the system, which will be made under Japanese standards, said Akiko Shikimori, an NEC spokeswoman.

Details of the tie-up, which are still being discussed, will be announced this autumn, she said.

The spokeswoman also said that NEC and American Telephone & Telegraph Co. were likely to cooperate in developing technology for advanced computer memory chips.

The chips, 256-megabit memories, are the same type involved in the joint development agreement announced Monday by International Business Machines Corp., Siemens AG and Toshiba Corp.

NEC and AT&T Microelectronics already are jointly developing technology for 64-megabit chips.

The spokeswoman said negotiations with AT&T over 256-megabit technology had not begun, but she added that "if current trends continue, it's likely that negotiations will begin soon, and that we will agree to cooperate in that generation as well."

(AP, Reuters)

U.S. Firms Urge Japan To Act Fast on Trade

Compiled by Our Staff From Dispatches TOKYO — American business leaders, ending a two-day conference with their Japanese counterparts, bluntly warned on Tuesday that progress on opening Japan's markets must come quickly.

"We face either a breakthrough or a breakthrough, and if we stay on the present course we will have a breakdown," said Joseph Coonan, incoming chairman of the U.S.-Japan Business Council and chairman of TRW Inc.

"If significant changes haven't occurred in two or three years we surely will be at the breakdown point," he said after the 29th annual Japan-U.S. Business Conference held in a Tokyo hotel. "And I don't know the consequences."

The current council chairman, John Marous, called the two-day conference a success, pointing to mutual recognition of the need for market access, and the decision to form working groups to address problem areas. As a start, the conference established a task force of three U.S. and three Japanese service-industry executives to improve foreign access to Japan's services market, he said.

Mr. Marous, former chairman of Westinghouse Electric Corp., said foreign companies held only 2.2 percent of Japan's services sector, estimated to be worth a total of more than \$200 billion.

Eisairo Saito, chairman of the Japan-U.S. Business Council, the American group's Tokyo-based counterpart, pledged maximum efforts to improve Japan's market access.

The conference comes as Japan's trade surplus is growing with renewed vigor. Last week, the Ministry of Finance said the current-account surplus more than doubled in May, to an unadjusted \$9.49 billion. The current-account surplus with the United States rose to \$40.03 billion in calendar 1991, from \$37.65 billion in 1990.

In separate remarks, however, Prime Minister Kiichi Miyazawa said Tuesday that the burgeoning imbalance was not yet a problem.

"The trade surplus may appear to be a problem that is impossible to solve no matter what steps we may take," Mr. Miyazawa said at a news conference. "But considering it is currently at about 2 percent of gross national product, I do not think it is something that needs to become an issue."

"We might have to work out specific measures with those countries who hold a deficit" with Japan, Mr. Miyazawa said, but he did not give specifics.

The prime minister's comments came on the same day as the release of a poll by the Nihon Keizai newspaper that showed more than 80 percent of U.S. voters wanted the winner of November's presidential race to urge Japan to open its markets to foreign goods.

(Reuters, UPI, AFP)

Westpac Withdrawing From Eurobond Market

Bloomberg Business News SYDNEY — Westpac Banking Corp., one of Australia's four largest banks, said Tuesday it was pulling out of the low-margin Eurobond market as part of a restructuring of its European operations.

Westpac also plans to close its Paris branch and narrow its European focus to corporate activity with Australian connections. The Eurobond withdrawal could bring a "lack of liquidity" in Australian dollar issues, said Richard Sheahan, a trader at Hambros Securities.

(AP, Reuters)

Nickel Project Faces Delay

Agence France-Presse PERTH — A controversial nickel mining project in Western Australia will be delayed, the developer said Tuesday.

Perth-based Dominion Mining said final negotiations on the 470 million Australian dollar (\$351 million) project had been placed on hold because of weakness in the stainless-steel and nickel markets.

The project, at isolated Yalabindie, 700 kilometers (420 miles) southeast of here, has been dogged by problems. Just over a year ago, Dominion was forced to suspend preparatory work while it negotiated with aborigines opposing the development.

Dominion's managing director, Peter Walker, said a decision on full commitment to the project is now unlikely before early 1993.

An aboriginal group claims the proposed development is on land of aboriginal cultural significance.

Investor's Asia

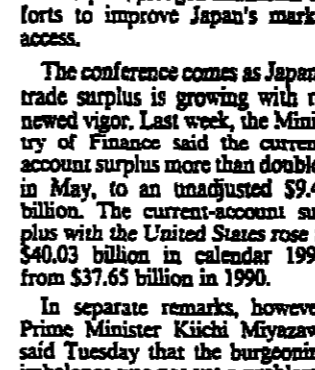


Table with columns: Exchange, Index, Tuesday Close, Prev. Close, % Change. Rows include Hong Kong Hang Seng, Singapore Straits Times, Sydney All Ordinaries, Tokyo Nikkei 225, Kuala Lumpur Composite, Bangkok SET, Seoul Composite Stock, Taipei Weighted Stock, Manila Composite, Jakarta Stock Index, New Zealand NZSE-40, Bombay National Index.

Japan's wholesale price index slipped 0.2 percent in June from May, the third straight monthly decline, the Bank of Japan said; the index was down 1.5 percent from a year earlier.

Kankaku Securities Co., New Japan Securities Co. and Dai-ichi Securities Co. will each be fined 5 million yen (\$40,000) by the Tokyo Stock Exchange for compensating clients for investment losses.

South Korean car sales in North America fell 42.6 percent in the first half, to 44,865 vehicles, because of uncompetitive pricing, the Korea Automobile Manufacturers Association said.

Japan's private-sector machinery orders in May rose 1.6 percent from April, to \$99.6 billion yen, the Economic Planning Agency said.

Bangkok Bank, Thailand's largest commercial bank, said pretax profit rose 29 percent, to 7.3 billion baht (\$289 million), in the six months ended June 30 from the prior period, because of a lower cost of funds.

Nissan Motor Co. said it planned to substantially raise the output of its joint venture in Taiwan in 1993, perhaps by several tens of thousands of vehicles; the joint venture produces 70,000 vehicles a year.

Hong Kong saw a 27 percent increase in the number of new companies registered during the first half, to 20,797, from a year earlier.

Shaw Shell Sekiyu said its first-half earnings, due out in August, would be slightly lower than expected; the company predicted in February that current profit would fall 21.8 percent, to 20 billion yen, in the half.

Marubeni Corp. is acquiring a 10 percent stake in Fordium Aluminum Smelter of Australia for 180 million Australian dollars (\$144 million).

Mitsubishi Electric Co. has developed an artificial retina chip capable of carrying out some of the image-processing functions of the human eye.

(AFP, Bloomberg, Reuters)

Indosuez Opens Doors in Vietnam

Compiled by Our Staff From Dispatches HANOI — Banque Indosuez of France became Tuesday the first foreign bank to open a branch in Vietnam, a move Hanoi hopes will fuel investment and help modernize the banking system.

Banque Indosuez, one of five French banks with representative offices in Vietnam, opened its branch in the nation's commercial hub, Ho Chi Minh City. Local newspaper said Bangkok Bank of Thailand was scheduled to open a branch in Ho Chi Minh City on Wednesday.

Foreign bank representative offices in Vietnam have not been allowed in the past to carry out full banking business.

Vietnam has given branch approval to four other banks: Credit Lyonnais, Banque Nationale de Paris and Banque Francaise du Commerce Exterieur, all French, and Australia & New Zealand Banking Group.

Two foreign banks — Summa Bank of Indonesia and Public Bank of Malaysia — have opened joint-venture banks with Vietnamese partners.

But Huynh Dun Son, deputy managing director of the Saigon Bank for Industry & Trade, said recently that foreign banks' more plentiful capital, skills and expertise could be a headache for Vietnam's emerging institutions.

"The presence of foreign banks will certainly bring about deep changes in the Vietnamese banking system," he told the Vietnam News Daily, adding, "a fierce competition will involve domestic banks, both state-owned and joint-stock, in a compulsory race."

Indosuez's inauguration ceremony, on France's national day, marked a return to Vietnam for the institution, which originated as Banque d'Indochine during the period of French colonial rule and remained in Saigon until 1975.

(Reuters, AFP)

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(AP, Reuters)

Large table titled 'INTERNATIONAL FUNDS' with columns for fund names, currencies, and dates. It lists various international investment funds across multiple columns.

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For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.

SPORTS OLYMPICS

IAAF Suspends U.S. Discus Champ

LONDON — Kamy Keshmiri, the U.S. discus champion and Barcelona medal contender, has been suspended from international competition after failing a dope test...

The ban applies until the IAAF track and field's world governing body holds a hearing on the case. If the IAAF upholds the test, Keshmiri will likely be banned for four years, starting May 15.

Keshmiri, 23, threw 70.84 meters (232 feet, 5 inches) on May 27, the longest discus throw in the world this year. The three-time NCAA champion won the U.S. track trials in New Orleans on June 22, then was notified June 24 by The Athletics Congress, the U.S. governing body, that he had tested positive.

Keshmiri said he is innocent, but expressed doubt he will compete in Barcelona.

Showjumping world champion Eric Navet, one of France's best Olympic medal hopes, was best Monday to compete in Barcelona when an international arbitration panel lifted a ban for alleged doping.

Navet was suspended four months in April after the International Equestrian Federation said tests on Quito de Baussy, his horse at the European championships last year, revealed the banned steroid cortisol.

The Lausanne-based Court of Arbitration for Sport, which overturned the ban after hearing evidence from the French rider, FEI officials and a number of experts.

World pole vault champion Sergei Bubka, nursing a lead in inflammation, said in an interview published Tuesday that he will not compete in any international track meeting before the Olympics.

"I can't take risks. My right heel-sprung hurts when I sprint prior to the jump, when I push hard," Bubka told the Milan daily Gazzetta dello Sport.

Cheryl Roberts, a member of South Africa's table tennis team, has tested positive for a banned stimulant and will not go to the Games, officials said Tuesday.

These recaptives, says Davidson, formed a bridge between African yearnings for freedom and the seductive European ideas of a "proper" national identity.

Davidson is at heart a federalist. The fall of tyrants like Amin and Bokassa console somewhat. There are also beginnings of democracy in Ethiopia: consultative and upwardly mobile instead of being imposed from above.

Davidson's comparison of African nation-statism with the lethal nationalism newly emerged in the former Yugoslavia is wonderfully apt.

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Riding High in the Tour de France

Defending champion Miguel Indurain, left, and overall leader Pascal Lino shared a laugh during Tuesday's 10th stage of the Tour de France, which ended in Strasbourg, France, in a mass finish that did not change the overall standings.

Doggonit! Seoul Blames the Elixir

SEOUL (Reuters) — The six South Korean athletes who recently failed drug tests were probably the unwitting recipients of steroid-spiced dog meat and have been cleared to go to the Barcelona Olympics.

An official of the Korea Olympic Committee said the athletes have passed further tests "and they will be going to the Olympics. The athletes did have some steroids in their bodies but they did not exceed the level allowed by the International Olympic Committee."

The official said it was likely the six had inadvertently taken muscle-building steroids that had been mixed into kao-sou, a locally popular health-drink.

Kao-sou is made by boiling a whole dog with herbs and spices.

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UEFA Rules Croatia Out For Cups

GENEVA — Croatia, Georgia and Albania were denied berths Tuesday in next season's European club soccer tournaments after being rated dangerous regions.

UEFA, European soccer's governing body, admitted nine new countries to Wednesday's first-round draw for the three European Cup competitions.

Russia, Ukraine, the three Baltic states, Slovenia, Israel, Liechtenstein and the Faeroe Islands met a UEFA emergency committee's requirements on safety and match organization.

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SIDELINES

Arsenal Signs Danish Star Jensen

LONDON (AFP) — The English team Arsenal said Tuesday that it had signed Denmark's European Championship hero, John Jensen.

Arsenal said it will pay the Danish club Brøndby \$2.1 million for the midfielder whose combative performances in Sweden were capped by a stunning goal in the final against Germany. Jensen, 27, formerly played for the German side SV Hamburg.

Ivan (The Terrible) Zamorano, the ace Chilean striker, became the new great hope for Real Madrid when he signed a four-year contract Tuesday. No official figure was given, but media reports estimated the transfer fee from Seville to be about \$5 million.

For the Record

Kirishima pushed Mitozumi into a four-way tie for first Tuesday with Konishi, Musashimaru and Akinoshima at the 15-day Nagoya Grand Sumo Tournament.

Kaishi, a 15-year-old sumo wrestler, died of a heart attack Tuesday in Tokyo, the third young wrestler to die suddenly this year, the Japan Sumo Association said.

Alex Wojciechowski, 76, the All-America center on Fordham's famed "Seven Blocks of Granite" line in the 1930s, died Monday in South River, New Jersey.

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BOOKS

THE BLACK MAN'S BURDEN: Africa and the Curse of the Nation State

By Basil Davidson. 355 pages. \$24. Times Books, 201 East 50th Street, New York, New York 10022.

Reviewed by Christopher Hope. It is notable that Europe, at the end of the 20th century, is again full of 19th-century nationalism. From this fact, the African scholar Davidson draws instructive and alarming parallels.

These recaptives, says Davidson, formed a bridge between African yearnings for freedom and the seductive European ideas of a "proper" national identity.

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UEFA Rules Croatia Out For Cups

GENEVA — Croatia, Georgia and Albania were denied berths Tuesday in next season's European club soccer tournaments after being rated dangerous regions.

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Advertisement for 'Book Call' service, featuring a phone number (1-203-966-5470) and a list of books available for purchase or rental.

Advertisement for 'JUMBLE' word game, showing a grid of letters and a picture of a man in a suit.

Table listing 'BEST SELLERS' with book titles, authors, and prices. Includes titles like 'The Road to Omaha' and 'Advice, How-To and Miscellaneous'.

Advertisement for 'DOONESBURY' comic strip, featuring a cartoon illustration of a man in a suit and a dog.

Series of comic strips including 'PEANUTS', 'BEETLE BAILEY', 'CALVIN AND HOBBS', 'WIZARD of ID', 'REX MORGAN', and 'GARFIELD'.

Large vertical advertisement on the right side of the page, featuring the name 'POE' and 'The American'.

SPORTS

BASEBALL

The American League Midseason Statistics

Table with columns: TEAM, W, L, PCT, HR, RBI, PCT. Lists American League teams and their midseason statistics.

Table with columns: AB, R, H, HR, RBI, PCT. Individual batting statistics for American League players.

Table with columns: ERA, W, L, SV, SO, BB, SA. Individual pitching statistics for American League pitchers.

Fielder: RBI Leader, All-Star Absentee

By Claire Smith New York Times Service SAN DIEGO — Reggie Jackson, never at a loss for the fair for the dramatic, stepped to the plate to face Bob Gibson with the bases loaded and put the Hall of Famer's first pitch over the wall.

It is not a decision that sat well with those on the All-Star squads. "You would have thought we could have at least brought him here for the home-run hitting contest," said pitcher Roger Clemens of the Boston Red Sox.

Fielder's exclusion from the All-Star team, termed his exclusion from the 28-man AL roster a petty issue compared with others he has faced in his life. In 1990 and 1991, Fielder was named to the All-Star team.

Fielder is more. He amassed 95 home runs and 265 RBIs in his previous two seasons, and is on pace this year to top his personal best in runs driven in.

The problem was, Fielder, the major-league leader in runs batted-in with 75 for the Detroit Tigers, was not hot.

This year, he finished behind Mark McGwire in the batting, a decision that no fan need defend, given the fine season

Robinson and Sandberg are both right. The flaw is not with the fans, but with the roster. Since 1969, the standard has been 28 players for each league. It has not, in those 23 years, taken into consideration the expansion that has increased the major leagues from 24 to 26 teams.



Fielder: 75 RBIs, too few votes.

The American League, which expanded in the 1970s to 14 teams, feels the burden more. That league must satisfy the minimum requirements that every team be represented, hence accommodating two more franchises than the National League.

The AL's All-Stars

Table listing the starting lineup for the American League All-Star team, including players like Mike Schmidt, Steve Carlton, and others.

The NL's All-Stars

Table listing the starting lineup for the National League All-Star team, including players like Tom Seaver, Steve Carlton, and others.



Reggie Jackson, wearing a big smile above an appropriate uniform shirt, rounded third after hitting his first-inning grand slam in the old-timers' game.

Mr. October Sets Stage For a Home Run Show

With all of baseball watching, a pair of old and young A's showed that nothing in baseball is more dramatic than the home run.

Bert Campaneris, Brooks Robinson and Bobby Richardson reached base before Jackson's batting slump, of course — drove the ball over the fence in center field. "I hit me a room-service fastball," said Jackson, now 46.

That matched Cal Ripken's total last year. McGwire even hit right in a row to surpass Ripken's streak of seven.

The Secret Service and San Diego Police Department have mapped contingency plans for anything from a drunken brawl to a terrorist raid, said Sergeant Bob Nunley of the San Diego Police.

McGwire was even more impressive, hitting seven on seven straight swings off the California Angels' batting practice pitcher, Rick Turner. Then again, McGwire has been impressive all season, hitting a major league-leading 28 home runs before the All-Star break.

Canada spoiled South Africa's return to the women's equivalent of the Davis Cup after a 15-year absence with a 2-1 victory. In other first-round matches, fifth-seeded Bulgaria lost to Australia, 2-1; third-seeded Czechoslovakia beat Hungary, 3-0; Sweden beat seventh-seeded Switzerland, 2-1; the Commonwealth of Independent States edged Finland, 2-1 and Argentina beat Mexico, 3-0.

Italy, Bulgaria Upset in Cup

FRANKFURT — Arantxa Sánchez Vicario and Conchita Martínez put defending champion Spain into the second round of the Federation Cup with a 2-1 victory Tuesday over Belgium.

South Korea, which made the draw as a qualifier, pulled off the most stunning upset of the day by beating Italy, 2-1. Fourth-seeded France escaped with a 2-1 victory over China after Nathalie Tauziat, ranked 13th in the world, was upset by No. 112 Li Fang, 6-1, 6-7 (5-7), 6-3.

Statistics of the National League's Players at the All-Star Game Break

Table with columns: TEAM, W, L, PCT, HR, RBI, PCT. Lists National League teams and their statistics at the All-Star Game break.

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SCOREBOARD

Table showing scores for various sports events, including tennis, basketball, and other international competitions.

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OBSERVER

Political Music

By Russell Baker
NEW YORK — Mountain Music: If you love the Grand Ole Opry you're going to like the Clinton and Gore act. It's the first presidential ticket with an all-hillbilly accent in the annals of tape-recorded politicians.

When it comes to making music, though, Clinton and Gore are not Roy Acuff and Hank Williams. A few years ago Clinton gave what commentators of the leaden hour still rated as the dullest convention speech ever delivered. Gore is legendary for his power to make audiences beg for mercy from the earnest solemnities of his jaw music.

As an oratorical team, they are the human equivalent of that season's town over visited by Fred Allen: "So dull that when the tide went out it never came back."

(Reply to Editor: Uncle Pete and Louise sang country music on radio in Newark, New Jersey, around 1935. Yes, Newark, believe it or not. Don't you know any history at all? Ever hear of Huey Long? Father Coughlin? Alf Landon? How about Franklin Roosevelt? Some editor.)

Tear-Down Mode: I was on the verge of coming out against Ross Perot and taking all my electoral votes with me on grounds that Perot is a Texan. Even before George Bush declared that he too was a Texan, I'd decided the United States had been too long afflicted with government by Texans and needed relief.

However, after watching the press strenuously exercising itself to fan suspicion that Perot may be the new Mussolini, I feel a sympathy vote coming on. The press over Perot better than this shabby treatment.

When it cavalierly awarded the Democratic nomination to Clinton after a few shabby and ill-attended primaries last spring, and after Pat Buchanan's challenge to Bush was easily crushed, the press faced long dreary months without a political story to pay its keep.

Then came Perot with his 5100 million offer to give voters something different. Great story. Saved the press's bacon. In no time at all press people built him into the biggest threat to orthodox political business-as-usual since Teddy Roosevelt became a Bull Moose.

Now with good old reliable orthodox political-business-as-usual pumping life back into the story, they've switched Perot from Build-up Mode to Tear-down Mode. Mussolini, indeed! Perot isn't even threatening to make the railroads, much less the airlines, work properly. He's merely threatening to provide what so many media Aristotles say the country needs: a change from good old reliable orthodox political-business-as-usual.

(Reply to Editor: Benito Mussolini, also known as Il Duce, meaning The Leader, was a newspaper editor whose long, gaudy and unwise career as dictator of Italy resulted in his being shot and hanged upside down at a gasoline station.)

Pol-Ban Treaty: Now that the atomic-bomb threat is in abeyance we must deal swiftly with the poll threat, which threatens to destroy us. What the United States needs is a poll-ban treaty signed by every participant in public life: governments, bureaucrats, politicians, newspapers, magazines, television stations and networks, and all reporters.

The goal must be to revive Americans' habit of thinking for themselves. This can result from denying them the addictive shackles of the daily poll results that now enslave their minds to quacks and hacks. Scarcely a day now passes without one newspaper or another publishing some absurd poll result. Here, for example, is a recent Washington Post/ABC Poll, which inspired the headline, "Majority of Voters Say Parties Have Lost Touch."

No kidding? Why do they say that? Well, here's the question people were asked: "Do you agree or disagree with the following statement: Both political parties are pretty much out of touch with the American people?"

How would you — how would any normal citizen — answer that question if somebody were obliging enough to ask it? Exactly, yet only 82 percent obliged the poll taker by saying "Agree," the answer so obviously desired. The news here is not that a majority "Say Parties Have Lost Touch," but that a brave 18 percent of Americans still refuse to give pollsters the answers they want.

(Reply to Editor: Sure, New York Times polls have probably published stuff as silly, so why don't we just cut it out.)

Fact and Fiction: Movies Focus on Pétain

By Joan Dupont

PARIS — The code name was Springtime Wind. The operation began at 4 A.M. July 16, 1942, when Paris police arrested 12,884 Jews and bused them to the Velodrome d'Hiver, a sports stadium, and a few days later to concentration camps outside the capital. From there, they were shipped to Auschwitz in cattle trains. No Germans took part in the raid, which rounded up children for the first time: the Final Solution on French soil was carried out by Marshal Philippe Pétain's Vichy government. None of the 4,051 children returned.

On the 50th anniversary of the "Vél d'Hiv" the zeal of that government to rid France of its Jewish community is up for fresh scrutiny, and two films about the years of collaboration and civil strife are in production. Because of the delicate nature of filming the near past, historians have been asked to play a special role as advisers; words and images are being measured with care.

After all these years, Marshal Pétain, whom official propaganda called the savior of France, is the subject of a feature film directed by Jean Marbœuf from a biography by the historian Marc Ferro. "Pétain," the movie, is set in Vichy, the mountain spa that was the seat of government from 1940 to 1944, with its Gestapo detachment and basement torture chambers, with its parade of foreign diplomats, including the U.S. ambassador.

A different kind of film, a documentary, is being mounted by Claude Chabrol under the guidance of the U.S. historian Robert O. Paxton, the pioneer of research on the Vichy years, and Jean-Pierre Anzéma, who is from a new French research group on contemporary history, the Institut d'histoire du temps présent.

What kind of film can tell this terrible story without travesty, without running down old taboos in a style of broad satire or melodrama? What images can we expect for the 1990s in a country that has never recognized its own contradictions? No French official has ever been sentenced for crimes against humanity. The police chiefs Maurice Papon and René Bousquet have only now been indicted; the case against Paul Touvier, the head of the Lyons militia, was dismissed earlier this year by judges who would bury the past.

According to Henry Roussio, another historian of the new research group and author of "Le Syndrome de Vichy," 200 French films made on the Occupation have expressed variations on mutations of collective memory. They range from dark hymns to the Resistance, such as Jean-Pierre Melville's "Le Silence de la Mer" (1949), to popular comedies like Gérard Oury's "La Grande Vadrouille" (1966). After the postwar period of trauma and humiliation, Gaullist governments preferred forgetfulness; wounds were plastered over in the interest of national unity. In 1956, Alain Resnais's documentary "Nuit et Brouillard" ("Night and Fog") was selected for the Cannes film festival and censored at the last moment because a concentration camp scene showed a French gendarme at work.

In 1971, Marcel Ophüls's "Le Chagrin et la Pitié" ("The Sorrow and the Pity") punctured the myth that occupied France was made up of heroic Résistants, but it took another 10 years for French television to screen this documentary that pitted personal testimony against propaganda newsreels, Résistants against traitors. Meanwhile, it set the tone for a self-flagellating genre, features that depicted France as a country of cowardly fascists. Louis Malle's "Lacombe Lucien" (1974), a portrait of a collaborationist anti-hero, was so nuanced as to appear



Filmmaker Jacques Kirsner during filming of "Pétain," which explores the touchy subject of Vichy France.

ambivalent; it took yet another decade and a less original film, "Au Revoir les Enfants" (1988) to win popularity for an unpopular subject.

The Pétain legend is cumbersome; the old war hero won't die and he won't fade away; indeed, there are those who would like to revive his politics. The subject is viewed with suspicion, and the producer Jacques Kirsner ("Dien Bien Phu") has not had an easy time getting his film off the ground. "I've wanted to make this film ever since I became a producer, but nobody wanted to touch it," he said, adding, "Most French directors are cowardly about that period."

Media coverage of the shooting has been considerable. It looks as if the entire French press was invited to have a meal with Pétain, played by Jacques Dufilho, at the Brasserie du Casino and to comment on Dufilho's appetite. The actor, who has described himself as a royalist, has made no bones about relishing the opportunity to "defend" his character.

The film's style seems to be the familiar "biopic," stressing a similitude of physical, gastronomical and sexual details to make the character more lifelike, more palatable, but hardly a hero. Dufilho wears blue contacts and a white wig, and in the script, Pétain seems to spend more time wooing chambermaids than selling out his country. There is nothing in that script that would hurt a fly. Let alone the memory of Pétain and other Vichy officials, yet merely by filming on location, Kirsner ran into trouble with local dignitaries, and even provoked an anti-Semitic crack to the effect that, since he is an "Israélite," his film may lack objectivity.

Jean-Pierre Ramsay, a publisher who has recently

turned producer, is orchestrating the documentary approach to the Vichy years. He has asked Chabrol to view and select footage from a tremendous stock of archives, including some U.S. sources. Chabrol, whose fictional "Story of Women" was a fierce denunciation of Occupation morality, is one of the filmmakers of his generation best-equipped to make a documentary with bite.

"Chabrol wants to write the neck of Vichy," said Ramsay, with satisfaction. "I was lucky to get him. We're going to do it without interviews, just archives. It's extraordinary that France doesn't want to remember. We have great historians, but it took Paxton, an American, to show the ignominy of the Vichy system."

Paxton's ground-breaking book, "Vichy France: Old Guard and New Order," took the French by surprise when it was published here in 1973. It destroyed the myth that Pétain's government was a shield protecting France from the occupying forces. "These were not just honorable civil servants, misled and trapped by bad strategic decisions," said Paxton in a recent phone conversation. "The realization came as a shock, as if we discovered that George Washington had been secretly working for George III."

Paxton maintains that the subject is best suited to the factual rather than the fictional treatment. "I would be afraid of personalizing Pétain and Laval," he says. "That would show them as victims; the Germans would look as the villains. We'll deal with the French, not the Germans."

Joan Dupont is a Paris-based writer specializing in the arts.

PEOPLE

John Lennon Returns, In a Way, to Liverpool

John Lennon's music is back on a Liverpool stage. Four musicians are putting the finishing touches on "Imagine — The John Lennon Story," which opens Thursday at the Playhouse theater, just around the corner from the Cavern Club, where the Beatles played from 1961 to 1963. Says Mark McGinnis, 31, who plays Lennon: "I was brought up in the same streets as Lennon and I can tap into Liverpool's essence."

New real estate for the material girl: Madonna has closed a \$4.9 million deal to buy a bayfront mansion on Miami's Brickell Avenue, the highest price ever paid for a home in Dade County. She bought the villa from James and Sheila Gray, who paid \$2.15 million for it in 1988.

Spike Lee has stood up the National Association for the Advancement of Colored People, and it's not the first time. Lee had been due to speak Tuesday at the NAACP's annual convention in Nashville, Tennessee, but canceled at the last minute. Fred Rasheed, an NAACP official, said Lee had balked out of the 1989 Detroit convention.

The directors Oliver Stone and John Singleton and the actor David Caruso have signed an advertisement supporting rapper Ice-T's record company. The ad, in Daily Variety, commends Time Warner Inc. for its resistance to calls to take Ice-T's song "Cop Killer" off the market.

The Sun newspaper in London was run by a 13-year-old Tuesday. Ganesh Sittampalam, Britain's youngest university graduate, got the job for a day. "It will make a change to have some brains around The Sun newspaper," said Gas F. Fischer of News International, which owns the paper.

Olivia Newton-John, 43, disclosed Tuesday that she has breast cancer, saying she wanted to make the diagnosis public to avoid rumors. The cancer was detected early and doctors expect a full recovery, a spokesman said. The singer, who lives in California, postponed her "Back to Basics" tour, which was to begin Aug. 6.

AGS MOVING, ACTION MOVIES, interdean INTERNATIONAL MOVIES

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